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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF JANUARY 1976

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The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 6th day of January 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Stanley E. Jensen, Vice Chairman
Joe Mosley
James A. Silva
Francis J. Solvin

and the following was absent:

None

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Esther Marks, League of Women Voters of San Francisco; and Dian Blomquist, Bay Area Women's Coalition.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that the minutes of the Regular Meeting of December 30, 1975, as distributed by mail to the Members, be approved.

Mr. Evans wished all present a happy new year.

NEW BUSINESS

- (a) Resolution No. 1-76 authorizing execution of agreement for reuse appraisal with Fullerton-Mills, Inc., Yerba Buena Center Approved Redevelopment Project Area D-1.

This is a contract not to exceed \$15,000 for reuse appraisals with Fullerton-Mills, Inc. for parcels of land in Yerba Buena Center project area, including the proposed entertainment center site. The present appraisals were prepared in 1966 and it is necessary to have current appraisals. There is a possibility of contracting for a second appraiser. Mr. Silva inquired if this was for the entire project, and Mr. Evans indicated it was basically for disposition parcels in the entire area but initially appraisals would be requested for sites that might be developed expeditiously. Mr. Silva asked if the land

NEW BUSINESS (continued)

price for the sports arena was established, and Mr. Evans responded negatively adding that the price was established by staff and this appraisal would establish the price as determined by independent appraisers according to the Department of Housing and Urban Development (HUD) requirements. Mr. Silva inquired about the possibility of the land value being so high it could affect the sponsor's ability to build, and Mr. Evans indicated that it could but anticipated an increase in land would increase the cost of construction only by a small amount. The appraisals could also decrease the value of the land.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 251-75 awarding Demolition and Site Clearance Contract No. 39, Yerba Buena Center Approved Redevelopment Project Area D-1, Calif. R-59, to Caldwell Building Wreckers, on the basis of the low bid received and authorizing the Executive Director to execute same.

This concerns award of Demolition and Site Clearance Contract No. 39 to the lowest of five bidders, Caldwell Building Wreckers, for \$34,200 for demolition of the vacant, seven-story St. Regis Hotel in the Yerba Buena Center project. Chairman Kaplan inquired about the large pile of dirt adjacent to the property, and Mr. David L. Collins, Area Director for Yerba Buena Center, indicated it was a stock pile for the Community College construction across the street.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 5-76 awarding Demolition and Site Clearance Contract No. 40, Yerba Buena Center Approved Redevelopment Project Area D-1, Calif. R-59, to William J. Evans, on the basis of the low bid received and authorizing the Executive Director to execute same.

This represents award of Demolition and Site Clearance Contract No. 40 to the lowest of six bidders, William J. Evans, for \$18,800 to demolish the vacant, six-story Mars Hotel in the Yerba Buena Center project area. In reply to Mr. Jensen's question, Mr. Collins indicated that sixteen buildings remain to be demolished in the project. These two and one other are now under contracts for demolition.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 2-76 authorizing the Executive Director to reacquire the Fillmore Arcade Building from Jones Memorial Homes, Site 14, Western Addition Project Area A-2.

This concerns reacquisition of the Fillmore Arcade Building for \$121,996 from Jones Memorial Homes. The building originally was sold as part of a site for moderate-priced private housing. This building was sold for \$140,000 which was subsequently decreased to \$121,996 because of vandalism. Rehabilitation was stopped by HUD and the actions required by HUD were so costly the sponsor was unable to provide funding and the project went into default. The sponsor has completed the moderate-priced private housing units and in order to close its mortgage and resolve the issue of this unrehabitable building, HUD and the

NEW BUSINESS (continued)

Agency staff after evaluation recommend reacquisition of the building conditional upon dismissal of lawsuits and clearance of the property of liens. The Agency after repurchasing the structure will demolish it, and the land would be resold for approximately \$70,000 to \$80,000.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 3-76 authorizing the Executive Director to execute agreement amending the lease for office space with the Bay Area Air Pollution Control District.

This concerns an extension of ninety days of the Bay Area Air Pollution Control District lease for 2,020 square feet of office space in the Central office until March 31, 1976. The monthly rent is approximately \$916 based upon 45.3 cents per square foot. There is a possibility that the Agency may sublease the area to the Office of Community Development at a later date.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 4-76 travel authorization.

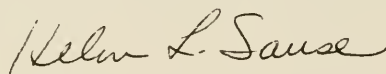
This is a request for travel for Mr. Mel Ury to travel to Santa Ana, California on January 15, 1976 to attend the State Historic Preservation Committee meeting in regard to its agenda item concerning the erroneous inclusion of the Myrtle Street Flats adjacent to the Goodman Building on the National Register for Historic Places.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 3:45 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF JANUARY 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 13th day of January 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Stanley E. Jensen, Vice Chairman
Joe Mosley
James A. Silva
Francis J. Solvin

and the following was absent:

None

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present was Jenö E. Lorincz, Pacifica Land Development Company.

Representing the press were Peter Keuhl, San Francisco Chronicle; and Don Canter, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that the minutes of the Regular Meeting of January 6, 1976, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel L-4, Diamond Heights Approved Redevelopment Project Area B-1.

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel L-4, Diamond Heights Approved Redevelopment Project Area B-1. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The Roman Catholic Archdiocese held a dedication ceremony for the proposed expansion and rebuilding of the Sacred Heart High School campus. The Archdiocese has already acquired three properties directly from private owners and also one conveyed by the Agency to consolidate the area needed for the expanded facilities.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

As a result of a fund raising campaign the Archdiocese has sufficient money to hire architects to begin the planning and design of the first phase of the modernization, with construction anticipated to begin in 1976. This will represent a substantial investment for the Archdiocese. Agency staff has been involved in reviewing the preliminary designs.

- (b) On January 6, 1976, President Gerald Ford sent a message to Congress impounding \$60 million in Section 312 loan funds, and under the new budgetary law Congress has forty-five days to agree to this action. It is unlikely that both Houses will concur which will result in the impoundment being illegal; however, even if they did not concur, it would take a month or more before funds could again be released. It is another example of how programs are interrupted and delayed as a result of Federal action.
- (c) The Board of Supervisors by a vote of 7 to 4 defeated the demolition ordinance. Redevelopment areas were exempted so the proposed ordinance did not directly affect the Agency, but defeat of the proposal was a good move for the city since the ordinance would have been an impediment in attracting investment to San Francisco.
- (d) There have been several proposals for the American Telephone and Telegraph Company (AT&T) building on sites in Yerba Buena Center, but these apparently do not conform with the terms of the proposed solicitation and are for slightly smaller buildings than those specified by AT&T. AT&T is considering the selection of a developer and the Agency will leave the date open for receipt of proposals for the site until January 23, 1976. At this time it still appears that AT&T will proceed with construction in the spring or summer.

In reply to Chairman Kaptan's question, Mr. Evans indicated that the contract with Mr. Gust K. Newberg had expired for the construction of the public facilities in Yerba Buena Center and that a meeting with the Chief Administrative Officer Thomas J. Mellon and Mayor George Moscone had been requested to discuss moving the private sites forward.

NEW BUSINESS

- (a) Resolution No. 7-76 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel L-4, Diamond Heights Approved Redevelopment Project Area B-1.

This was the subject of the public hearing just held and concerns disposition of Parcel L-4, originally sold to the San Francisco Board of Education for a school site, and which has now been declared as surplus by that Board and returned to the Agency for development. It is proposed that the parcel be sold to the Pacifica Land Company for \$35,000 for development of four single-family residences. The Diamond Heights Neighborhood Association has indorsed this use.

Mr. Silva inquired what price homes were to be built and Mr. Jeno Lorinz of Pacifica Land Company replied that they were within the \$90,000 to \$100,000 bracket. In reply to Mr. Solvin's question, Mr. Evans indicated that these would be a single-family homes and not multifamily units. Mr. Quintin McMahon, Director of Real Estate, Marketing, and Business Development, indicated that this was a large parcel; however, the buildable area was small because of a

NEW BUSINESS (continued)

hill and would require excavation to achieve a building pad. Mr. Solvin inquired if the \$8,500 per lot price was comparable to the sales price of adjacent lots, and Mr. McMahon indicated that the lots in the area were sold within the \$12,000 to \$13,000 range but these parcels had utility and sewer facilities while the lots in Parcel L-4 would require installation of such facilities. Mr. Solvin inquired how much Mr. Lorinz estimated the excavation and utility installation would cost, and Mr. Lorinz responded that he would have to expend approximately \$20,000 which would bring the sites in line with the comparable of \$13,000 per lot.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 12-76 authorizing and granting variances from the physical standards and requirements of the Redevelopment Plan for Diamond Heights Approved Redevelopment Project Area B-1, Parcel L-4.

Mr. Evans indicated that this item related to the previous resolution and would change the land use of Parcel L-4 as shown on the Diamond Heights Redevelopment Plan to conform with the requirements for single-family dwellings.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Solvin, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (b) Resolution No. 6-76 authorizing the installation of underground electrical utility lines in the India Basin Industrial Park.

This concerns execution of an agreement for installation of underground electrical service to two Agency-owned buildings in India Basin, during the Pacific Gas and Electric Company's conversion from overhead to underground lines. The low bidder was Paganini Electric Corporation for \$2,980. The buildings are occupied by a group of attorneys who serve the neighborhood and the community has asked that service to them be continued and the buildings remain for another year. Since this is a service to the community, it is recommended that this expenditure be made.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

Mr. Jensen asked Mr. Evans for a status report on India Basin. Mr. Evans indicated on a wall map streets in the area which are under construction and where the undergrounding of all PG&E facilities were. Mr. Evans also indicated the location where the new India Basin Industrial Park sign would be placed and areas where earth was being moved. One of the businesses in the area, the Pacific Rendering Company, had anticipated rebuilding in the project but now has informed the Agency that it intends to go out of business because of serious financial problems. Work in the India Basin had proceeded around the plant and now with the withdrawal of Pacific Rendering the earth work will be completed in this area. Mr. Evans indicated that there have been preliminary discussions with manufacturing companies, as well as others, but he noted that for every ten interested, perhaps only one comes forward. The staff has also been working with the

NEW BUSINESS (continued)

San Francisco Chamber of Commerce and the business community, as well as with utility and railroad companies to seek and follow leads in marketing the land. An extensive advertising program has also begun. Mr. Silva inquired about results from the trip to New York with the San Francisco Chamber of Commerce for propmotion of land sales, and Mr. Evans replied negatively, adding that one of the firms called on had written indicating that it would not be interested at this time. He stressed that it was necessary to prepare the project for construction before people could being to appreciate the potential of the area.

- (c) Resolution No. 9-76 approving and authorizing execution of amendment to agreement for services (economic-reuse appraisal-consultation); applicable to all San Francisco redevelopment project areas.

This is a proposed amendment of the agreement with the Real Estate Research Corporation to extend existing contract expiration from January 1, 1976 to December 31, 1977 and to increase the maximum compensation from \$25,000 to \$40,000. This would permit continuation of services on an as-needed basis and include such activities as the reuse appraisal of the sports arena site.

Mr. Silva inquired about amending the contract for only one year, and Mr. Evans indicated that this would not be a problem. Mr. Silva indicated he would move that an extension be granted for one year only.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted for an extension period of one year.

Mr. Silva proposed a further amendment to the resolution decreasing the amount of compensation by \$7,500. Mr. Evans indicated that there could be a need of the entire \$15,000 within the one year extension period. Mr. Silva suggested that by limiting the contract period to one year that half of the amount would be needed, but Mr. McMahon indicated that the amount to be expended was related to the complexity of the parcels to be appraised. Mr. Silva suggested that staff propose an additional amendment if more money were needed in the future.

MOTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that the agreement for economic-reuse appraisal-consultation services with Real Estate Research Corporation be extended for one year and compensation be amended by \$8,000.

- (d) Resolution No. 10-76 ratifying and approving action of the Executive Director in connection with paving the site office visitors parking lot, Western Addition A-2.

This concerns a contract with the low bidder, Pacific Paving Company, for the paving of a visitors parking lot for the new Western Addition A-2 site office located at 1519 O'Farrell Street for an amount not to exceed \$9,500.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 11-76 awarding a contract to Garrison Roofing Company for reroofing an Agency-owned building, 1881 Bush Street, Parcel 674-F, Western Addition Area A-2.

NEW BUSINESS (continued)

This concerns award of a contract for reroofing Agency-owned property at 1881 Bush Street to the lowest of three bidders, Garrison Roofing Company, for \$9,898. The building is occupied by the Soto Mission which is developing a new building to be completed within ten to twelve months. This property will then be disposed of to the American Zen Buddhist Center and the American Victorian Museum for restoration. Mr. Silva asked if this firm had worked for the Agency before, and Mr. Gene Suttle, Area Director for Western Addition A-2, answered negatively indicating that it was a minority firm in the area and that he had been assured by it that the job could be done properly for this price. In reply to Mr. Solvin's question, Mr. Suttle indicated that the contractor was not bonded. Mr. Jensen inquired if it were a union firm, and Mr. Suttle responded affirmatively, noting that it was to be a tar and gravel roof with a five-year guarantee.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 8-76 awarding a contract to Cunningham Moving and Storage on the basis of low bid received and authorizing execution thereof for cartage services to move the contents of the Western Addition A-2 site office from 762 Fulton Street to 1519 O'Farrell Street.

This represents a contract with the lowest of six bidders, Cunningham Moving and Storage, for moving services for the contents of the Western Addition A-2 site office from 762 Fulton Street to 1519 O'Farrell Street for a cost of \$4,060. The Agency estimate was \$12,000 and bids ranged from \$4,060 to \$16,000. Cunningham Moving and Storage had worked in the area of relocation and is competent. Mr. Evans indicated that the staff discussed the price with the firm to ascertain if an error was made, but the firm assured staff it could do the job properly at this price.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

Chairman Kaplan inquired about the status of the proposed rehabilitation development at Fillmore and Sutter Streets, and Mr. Evans indicated that there have been extensive conversations with a number of residents and business people in regard to the purchase of the buildings for rehabilitation purposes. It was his belief that the mechanism consistent with what the Members requested has been worked out and now the capacity of the interested community people to carry out the development is being evaluated. The staff has also made comprehensive estimates of the actual construction costs to enable the interested parties to develop more precise financing estimates. Mr. Evans indicated that it appeared there were individuals with the capacity to do the job. Mr. Suttle indicated that four offers were received to purchase the buildings and the anticipated price for the buildings ranged from \$6,000 to \$9,000 and that today a fifth offer had been received. Mr. Evans indicated that generally the costs of rehabilitation have escalated within the last few months affecting all the projects.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:10 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause

Assistant Agency Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF JANUARY 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 20th day of January 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Joe Mosley
James A. Silva (Mr. Silva joined the meeting at 3:35 p.m.)
Francis J. Solvin

and the following was absent:

Stanley E. Jensen, Vice Chairman

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Otto Avvakumovits, GFDS Engineers; Nicholas F. Forell and Eric Elsesser, Forell/Elsesser, Engineers, Inc.; and Daniel Shapiro, Shapiro, Okino, Horn and Associates, Engineers.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Mosley, seconded by Mr. Solvin, and unanimously carried that the minutes of the Regular Meeting of January 13, 1976 and the minutes of the Executive Meeting of January 6, 1976, as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) As of the last evening, Mr. Louis Silver has fully relocated his business to 986 Mission at Sixth Street from his former tenancy in the Milner Hotel in Yerba Buena Center.
- (b) This afternoon the Board of Supervisors Planning, Housing, and Development Committee heard a proposed ordinance increasing the number of Members on the Agency Board from five to seven. The committee voted to recommend approval of the item to the full Board to be heard on Monday.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) Mr. Evans reported that notwithstanding the difficult interest rates and economic problems, 1975 marked the highest level of rehabilitation work undertaken by the Agency. Rehabilitation work in 1974 totaled \$950,000 and in 1975, \$1,837,000, which represents a substantial improvement over the Agency's previous experience. Mr. Evans indicated that this pointed up the effectiveness of the rehabilitation staff, and Mrs. Enid Sales, Chief of Rehabilitation, in particular. He noted that this also indicated that the Western Addition A-2 residents were willing to invest their own money by making improvements and that others were beginning to move into the area. Mr. Solvin drew the attention of the press representatives to these facts.

NEW BUSINESS

- (a) Consideration of selection of structural engineering consultants for rehabilitation, Western Addition Approved Redevelopment Project Area A-2.

This represents consideration of firms for structural engineering services for the Agency's rehabilitation program. Seven firms were interviewed and three were selected for consideration by the Members.

Mr. Silva joined the meeting at 3:35 p.m.

Mr. Evans indicated that the structural engineering services firms were all equally well qualified to undertake this work and indicated that representatives were present from GFDS Engineers, Forell/Elsesser, Engineers, Inc., and Shapiro, Okino, Horn and Associates, Engineers. After the Members make their selection, a contract will be negotiated and brought back to the Members for final approval.

Mr. Otto Avvakumovits of GFDS Engineers came forward and indicated that his firm had been in business over twenty-two years and had been involved in rehabilitation jobs for many years and completed work on over forty buildings of all sizes and types. Some of these included Ghirardelli Square, the Ice Houses, and other smaller and larger masonry buildings. Mr. Avvakumovits commented on the approach of his firm in coordinating its work with architectural design and not just consideration of buildings in regard to Code conformance. He indicated his firm's procedure was to inspect each building individually and prepare an analysis based upon the structural renovation. He stressed the architectural orientation of the firm. Chairman Kaplan inquired how much residential work the firm had done, and Mr. Avvakumovits replied that it had been more than the firm was interested in, but there had also work done on many small businesses. Mr. Silva inquired if GFDS Engineers had an affirmative action program, and Mr. Avvakumovits replied that his firm had a number of minority employees but at the moment did not have a trainee because those in the program had gone to other jobs. Mr. Solvin inquired if the firm were located in San Francisco, and Mr. Avvakumovits replied affirmatively. Mr. Solvin also inquired about the structure of the firm and its background qualifications. Mr. Avvakumovits replied that the firm consisted of six active partners and was originally known as Gilbert and Associates until 1974. It was founded in 1953 and reorganized in 1968 as a corporation with the six managing partners, all of whom are licensed structural engineers ranging in age from 36 to 55. In reply to Mr. Solvin's question, Mr. Avvakumovits indicated that the qualifications necessary to be a structural engineer in California included having a college degree, passing the State examination, and having experience in serving in a responsible capacity for a number of years in the design of buildings. He added that at one time experience was

NEW BUSINESS (continued)

accepted in lieu of the degree. Mr. Solvin asked when the licensing requirements had been set up by the State, and Mr. Avvakumovits replied that it had been done long before his time. Mr. Solvin inquired what the State required in the way of education, and Mr. Avvakumovits answered that a bachelor's degree in civil engineering, as well as a number of years experience working as a civil engineer in that field involving structural building design, after which an examination is taken, then another three to four years experience of a particular type in order to qualify for the structural examination at the second level. Mr. Solvin further questioned Mr. Avvakumovits on the composition of the firm, and Mr. Avvakumovits replied that in addition to the six partners who are licensed structural engineers, there were four others, two of whom were licensed civil engineers, plus a bookkeeper, and a secretary for a total of twelve people. Mr. Avvakumovits indicated he was one of the six managing partners involved in rehabilitation. Mr. Solvin thanked him for his presentation.

Mr. Nicholas F. Forell of Forell/Elsesser, Engineers, Inc., came forward and indicated that his firm was interested in being selected as the structural engineering consultants and that their qualifications had previously been presented to the Agency staff. He indicated his longstanding interest in rehabilitation work and preservation of buildings, particularly those of architectural and historical merit, being a member of the American Society of Preservation of Historical Monuments. He indicated his firm had done considerable work in rehabilitation and was well qualified for the work. Chairman Kapian inquired how large a firm it was and Mr. Forell replied that there were eleven technical employees and one secretary, with three principals including himself and Messrs. Eric Elsesser and Fong C. Chan. He indicated that they had bachelor's degrees and were registered as civil structural engineers in California, and that Messrs. Elsesser and Chan had master's degrees from Stanford University and the University of California, respectively. There was an associate in the firm who was a licensed structural engineer and one other employee with the same status. In reply to Mr. Solvin's question, Mr. Forell indicated that the firm was experienced and that Mr. Elsesser had been in practice since 1956 and he had practiced since 1958, each having had their own consulting engineering firm which merged six years ago. Mr. Solvin inquired about the firm's experience, and Mr. Forell cited various downtown buildings it had rehabilitated, as well as other work including the consideration of school buildings for earthquake proofing. Mr. Silva inquired if the firm had an affirmative action program for minority trainees, and Mr. Forell replied that it had participated in the Manpower Training Program but did not currently have anyone under training programs although there were a number of minority people working for the firm. Chairman Kapian inquired if any people would be hired for jobs, and Mr. Forell replied that this would be handled at the principal level, since their experience in technicalities and sensitive negotiations was necessary. Chairman Kapian thanked Mr. Forell for his comments.

Mr. Daniel Shapiro of Shapiro, Okino, Horn and Associates, Engineers, came forward and indicated that his firm was qualified to perform Agency work for structural engineering and that their credentials had been presented to the Agency screening committee. The composition of the firm is five structural engineers and five other registered civil engineers for a total of ten registered engineers. There are five other professional designers and two administrative

EW BUSINESS (continued)

people in the firm which is located in the North Beach area of San Francisco. The firm has done extensive rehabilitation work and investigations of buildings for possible rehabilitation including various schools in the city's neighborhoods, as well as preservation of the highly ornamental Vedanta Society's temple at Fillmore and Vallejo Streets, where structural integrity was obtained without sacrificing the intricate design. Mr. Shapiro indicated that in regard to the affirmative action program, his firm has been involved with employees of the Manpower Training Program since its inception. The firm is 49 percent full-time minority-owned and 56 percent minority in composition. The age of the principals ranges from 40 to 51 years, and Mr. John Hom has a master's degree and the others have bachelor's degrees from the University of California. Prior to 1965, the firm was known as John Sartas and Associates.

Mr. Solvin asked if the contract were for \$50,000 and Mr. Evans replied it was not to exceed that amount. Mr. Solvin asked for staff recommendations, and Mr. Evans indicated that all three firms qualified and the staff would negotiate with whomever was selected. Mr. Silva indicated that on the basis regarding background and because of its large minority employment he recommended the firm of Shapiro, Okino, Hom and Associates.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the firm of Shapiro, Okino, Hom and Associates, Engineers, be selected as the structural engineering consultants for negotiation of a contract for structural engineering consultation services for the rehabilitation program in the Western Addition Approved Redevelopment Project Area A-2.

- (b) Resolution No. 18-76 amending Resolution No. 91-75 adopted May 6, 1975 awarding contract for janitorial services for site office, Western Addition A-2

This concerns an amendment to the janitorial contract for the Western Addition A-2 site office with Mr. Earl Warren to extend it for two months at a reduced cost of \$750 from \$1,000 per month to cover changed circumstances incurred by the site office move from 762 Fulton to 1519 O'Farrell Street on January 23, 1976. The new office has less square footage than the present one and after there has been some experience with the new office, specifications will be drafted and the contract rebid for janitorial services. Mr. Silva questioned the cost per square foot on the contract which was higher than the old one, and Mr. Gene Suttle, Area Director for Western Addition A-2, explained that there was more work in the bathrooms in the new building and also there was now carpeting on the floors and that after a trial period the new specifications would be developed.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (c) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 16, India Basin Industrial Park Approved Redevelopment Project Area.

NEW BUSINESS (continued)

This is a consideration to advertise Demolition and Site Clearance Contract No. 16 in India Basin Industrial Park for demolition of the Pacific Rendering Plant, which would also include related site clearance and removal of piles and other unsuitable material from the property which is to be vacated by February 29, 1976.

MOTION: It was moved by Mr. Mosley, seconded by Mr. Solvin, and unanimously carried that Demolition and Site Clearance Contract No. 16 in India Basin Industrial Park Approved Redevelopment Project Area be advertised.

- (d) Resolution No. 13-76 approving and authorizing the Executive Director to execute an interdepartmental work order with the San Francisco Department of Public Works for traffic signs in connection with the Hunters Point Redevelopment Project for calendar year 1976.
- (e) Resolution No. 14-76 approving and authorizing the Executive Director to execute an interdepartmental work order with the San Francisco Department of Public Works for traffic pavement markings in connection with the Hunters Point Redevelopment Project for calendar year 1976.

Chairman Kaplan indicated both these items would be considered together. The first item is a work order with the Department of Public Works for \$3,000 for signing work, including permanent and interim regulatory and warning signs and street name signs. The second item is also a work order with the Department of Public Works for \$1,500 for pavement and curb markings required for completed public streets. Mr. Silva inquired if these were permanent markings, and Mr. Evans responded that some would be on temporary streets, as well as for permanent streets to be conveyed to the city.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Solvin, and unanimously carried that these two resolutions be adopted.

- (f) Resolution No. 16-76 travel authorization.

This represents a request for travel for Mr. Wes Willoughby, Director of Community Information, to travel to Washington, D.C. to attend a Housing and Urban Development (HUD) design awards announcement and workshop on January 27 to 30, 1976. The Agency is to receive four awards out of the 200 being announced, one each for Diamond Heights, Hunters Point, Golden Gateway, and the Japanese Cultural and Trade Center. Mr. Willoughby will also represent another award being given to Ghirardelli Square. The workshop will encompass programs for publicity and handling of visitors as well as the use of audio-visual materials on project sites. HUD and the Bicentennial Administration will pay all costs.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 17-76 commending Henry F. Davis, Agency General Counsel, on the occasion of his retirement from Agency service.

Mr. Henry F. Davis, Agency General Counsel, is retiring from the Agency and the Members had directed that a suitable resolution be prepared for adoption and presentation to Mr. Davis. Mr. Solvin requested that the resolution be made a part of these minutes.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 4:05 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Assistant Agency Secretary

RESOLUTION NO. 17-76
(Adopted January 20 , 1976)

COMMENDING HENRY F. DAVIS, AGENCY GENERAL COUNSEL, ON THE
OCCASION OF HIS RETIREMENT FROM AGENCY SERVICE

WHEREAS, Henry F. Davis is retiring from the service of the San Francisco Redevelopment Agency after fifteen years of invaluable contribution to the Agency; and

WHEREAS, during these years he pioneered in the development of the complicated redevelopment process and of the various renewal projects throughout the city while serving as Agency General Counsel; and

WHEREAS, Mr. Davis has devoted his outstanding abilities and energies to the formulation and accomplishment of the Agency's plans, projects, and objectives; and

WHEREAS, he has consistently brought credit to the Agency by his exemplary conduct and bearing at all levels of San Francisco's governmental, business, professional, economic, and public life; and

WHEREAS, it is the desire of the Agency Members to commemorate the occasion of his departure from the ranks of the Agency through retirement by expressing publicly the appreciation owed him by all the citizens of San Francisco for his contributions to the redevelopment program; now, therefore, be it

RESOLVED that the Redevelopment Agency of the City and County of San Francisco does hereby officially express its deep appreciation to Mr. Davis for his unselfish and devoted efforts and accomplishments on its behalf, and,

BE IT FURTHER RESOLVED that a suitable copy of this resolution be delivered to Mr. Davis as an expression of the respect in which he is held.

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF JANUARY 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 27th day of January 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Joe Mosley
James A. Silva

and the following were absent:

Stanley E. Jensen, Vice Chairman
Francis J. Solvin

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Richard Mabrey, represented by Stewart Rawlings, Neighborhood Legal Aid.

Representing the press was Don Canter, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of the Regular Meeting of January 20, 1976 and the minutes of the Executive Meeting of January 20, 1976, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 779-J, Western Addition Approved Redevelopment Project Area A-2.

- (a) Mr. Evans indicated that this public hearing was cancelled because the buyer had withdrawn. The public hearing will be readvertised for sale of the property to the second high bidder.

NEW BUSINESS

- (a) Resolution No. 22-76 ratifying publication of notice of public hearing; authorizing the Executive Director to enter into an agreement for disposition of land and improvements for private housing rehabilitation of Parcel 779-J; approving disposition price; authorizing execution of a deed for conveyance of said parcel; and making certain findings and determinations therewith, Western Addition Approved Redevelopment Project Area A-2.

This item in connection with the public hearing has been cancelled.

NEW BUSINESS (continued)

- (b) Resolution No. 21-76 approving and authorizing the Executive Director to execute a personal services contract with Orrick, Herrington, Rowley and Sutcliffe for legal services in connection with the Yerba Buena Center Redevelopment Project Area.

This concerns a proposed amendment to increase by \$50,000 and to extend the legal services contract to May 16, 1976 with the firm of Orrick, Herrington, Rowley and Sutcliffe in connection with litigation affecting Yerba Buena Center. A letter was received from Chief Administrative Officer Thomas J. Mellon indicating that he would provide the \$50,000 from the City's hotel tax fund to insure continuity of legal efforts in the project.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 19-76 adopting a policy of broker participation; establishing the criteria upon which the Agency shall pay commissions on real estate transactions and determining the schedule of such commissions, Diamond Heights, Hunters Point, Western Addition Area A-2, and Yerba Buena Center Approved Redevelopment Project Areas.

Mr. Evans indicated that in September of 1975 the Members had authorized a policy regarding commissions for only the India Basin project as part of the effort to attract commercial development to the area. The depression of the real estate market indicates that it would be in the best interest of the Agency to pay a commission to real estate brokers to interest developers in the other projects as well, in connection with the land for market rate developments. The policy would provide a 6 percent commission on the first \$100,000, 2-1/2 percent on the next \$100,000 to \$200,000, and 1-1/2 percent on transactions over \$200,000. There are a number of conditions attached to the award of a commission, specifically: (1) payment of the commission will be paid only after broker and client submit authorization of representation; (2) payment will be made only after the land is conveyed; (3) commission will not be paid if a broker has an interest in the sale; and (4) the development proposal must indicate that the purchaser is represented by a broker.

Mr. Silva suggested that the Agency's advertisement for land sales which is to appear in national magazines should state that a prospective purchaser may use his own broker, and Mr. Evans indicated that this would be done.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 20-76 travel authorization.

This is a request for the Executive Director to travel to Washington, D.C. on February 5 to 6, 1976 to attend the National Association of Housing and Redevelopment Officials (NAHRO) Board of Governors meeting for discussion on NAHRO budget and work programs for 1976, and to meet with Undersecretary David Meeker of the Department of Housing and Urban Development (HUD) and representatives of the Merrill Lynch firm regarding possible bond proposal involvement.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA (continued)

- (a) Resolution No. 24-76 authorizing payment of \$3,464 in settlement of a claim of Richard Mabrey, Hunters Point Project Area.

This is a settlement of a claim from Richard Mabrey in Hunters Point for \$3,464 from an original amount of \$6,000 for loss of household goods.

Mr. Silva inquired whether the time and effort to defend the case would have exceeded the amount of the settlement, and Mr. Steven Nord, Agency Attorney, indicated that this was probably true of most small claims, however, in this case the litigation would not have been excessive. Mr. Silva commented upon the unusual circumstances surrounding this particular claim and suggested that it be settled.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:50 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

FEB 26 1976

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF FEBRUARY 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 3rd day of January 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Stanley E. Jensen, Vice Chairman
Joe Mosley
James A. Silva
Francis J. Solvin

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Esther Marks, League of Women Voters of San Francisco; George T. Choppelas, William C. Haas Company; F. Ezazi, Bay Cities Paving & Grading, Inc; and Rhody Laigo, D. Buted, Florencia Buted, G. Tambio, R. Delano, V. Delano, and B. Galicia, Pacific Trade Center.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of the Regular Meeting of January 27, 1976, as distributed by mail to the Members, be approved.

REPORT OF KEY STAFF MEMBERS

Mr. Evans indicated that Mr. Wes Willoughby, Chief of the Community Information Division, would report on his trip to Washington, D.C. in connection with the Department of Housing and Urban Development (HUD) Bicentennial Administration awards to the Agency for four of its projects.

- (a) Mr. Willoughby indicated that the American Revolution Bicentennial Administration had cited San Francisco as the best example of renewal in the country and bestowed its first 1976 awards detailed in a book, "Horizons on Display". The projects selected for honor are Diamond Heights, Golden Gateway, Hunters Point, and the Japanese Cultural and Trade Center projects, as well as the private renewal of Ghirardelli Square and the operation of the On Lok Senior Health Services Center at 831 Broadway, giving San Francisco six of the 200 awards for examples of community achievement. Bicentennial flags will be presented to each development in ceremonies later this year. Mr. Willoughby indicated that there had been 1,500 entries for consideration to receive awards. San Francisco had entered only those which were selected and only a handful of redevelopment agencies in the nation received awards, and none except San Francisco was honored for more than one development. Mr. Jensen suggested that the attached excerpt from "Horizons on Display" be attached hereto and made a part of these minutes. Mr. Evans thanked Mr. Willoughby for his comments.

NEW BUSINESS (continued)

- (a) Consideration of time extension of developer rights for the Pacific Trade Center, Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

This represents an extension of the Pacific Trade Center's developer rights for 120 days from February 1, 1976 to enable the developer to complete arrangement of financing for the project. The London lending source is still considering the Pacific Trade Center application for financing but should that source fail, the developer will require time to arrange funding elsewhere. Mr. George Choppelas, representing the William C. Haas Company, came forward and indicated that the developer had requested six months' extension because of the difficult money market but the firm could go along with 120 days. Mr. Silva commented on the developer's previous request for extensions and noted it now needed an additional six months. He expressed concern that the property was off the market without apparent progress toward development and inquired what the schedule was, and also if 120 days would provide the time needed to secure financing. Mr. Choppelas indicated that he would be pleased to report to the Members after 120 days with definite information. Mr. Silva inquired if the Members would know before that time whether the project was going to be built or not, and Mr. Choppelas indicated that this should be known after four months' time. Mr. Jensen noted that the Mayor was enthusiastic about the project after having reviewed it and gave his support to the extension. He indicated his understanding of the difficulties regarding funding.

MOTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that the Pacific Trade Center be given an extension of developer rights for Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2, for 120 days from February 1, 1976 to complete financing arrangements.

- (b) Resolution No. 25-76 granting exclusive negotiating rights for Phase II, Hunters Point Redevelopment Project to the National Corporation for Housing Partnerships and ratifying action of the Executive Director in extending site control for Hunters Point Phase II, Parcels A and B.

This is in connection with the granting of exclusive negotiating rights to the National Corporation for Housing Partnerships to January 31, 1977 for Phase II of Hunters Point development for 600 units of housing. It is anticipated that site improvements will begin in April to prepare foundations and grading for construction and that 300 units of this housing is scheduled to commence in the fall or winter of this year. This developer designation would permit NCHP to submit the necessary documents to HUD.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

Chairman Kaplan referred to a newspaper article indicating that the San Francisco Housing Authority was having difficulties in demolishing the units adjacent to Hunters Point because some 25 to 30 tenants did not wish to move. He inquired if this would have a deleterious effect on the Hunters Point project. Mr. Evans indicated that there was a possibility that this could affect the units now being completed and may also influence what happens in Phase II. He noted that the Agency staff was working with the Housing Authority to move its program along.

NEW BUSINESS (continued)

- (c) Resolution No. 28-76 approving and accepting Department of Public Works permission for tree grates to be installed within the India Basin Industrial Park.

Mr. Evans indicated that usually when the Agency plants street trees, the Department of Public Works takes over the maintenance, but it has requested that in India Basin this maintenance be performed by the abutting property owners. This will be done through a stipulation in the land sales agreements that maintenance be assumed by the property owners. Mr. Evans noted this item indemnifies the City from all future claims for damages incurred during the tree planting, the installation of tree grates, and the special sidewalk treatment in the project area.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 22-76 approving agreement for fencing services with Anchor Post Products, all projects.

This requests authorization to award a one-year \$600,000 fencing contract with Anchor Post Products, Inc., the second lowest bidder of four. The Members awarded this contract to the low bidder, Build Rite Fence Company, on December 30, 1975, however, this company has had a dispute with the Ironworkers' Union and has asked that its proposal be withdrawn. The difference in cost is approximately ten percent higher from the previous bid. Anchor Post Products, Inc. has done work for the Agency before and is well qualified.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 23-76 authorizing the Executive Director to execute an agreement for personal services by and between the San Francisco Redevelopment Agency and David Jenkins for community information services.

This is a renewal of the contract for community organizational services with Mr. David Jenkins for one year. The contract amount of \$27,725 represents the 5-1/2 percent increase comparable to the employee's salary increase over the present contract.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (f) Consideration of proposed amendment to the salary standardization Resolution No. 120-75, adopted June 17, 1975.

Resolution No. 29-76 amending Resolution No. 120-75, adopted June 17, 1975, establishing classifications and compensation schedules for Agency staff.

This is an amendment to the salary resolution to provide three new classifications which are needed to implement the rehabilitation program, plus a new classification of Senior Legal Stenographer for an incumbent. The other new classifications are Senior Draftsperson, Rehabilitation Counselor, and Mortgage Finance Processor, which are necessary because of the increasing volume of work.

NEW BUSINESS (continued)

Mr. Silva asked if the positions would be filled from within the staff, and Mr. Evans indicated that they would be posted for staff first.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 26-76 approving and authorizing the Executive Director to execute Change Order 8-19 (final) to Site Improvement Contract No. 8, Hunters Point NDP A-5.

This represents the final contract change order for Site Improvement Contract No. 8 with Bay Cities Paving & Grading, Inc. to adjust the quantity of fill moved from 3,000 cubic yards to 28,932 cubic yards. This was fill stockpiled for India Basin, which increased the contract by \$51,864; however, this amount was offset by other quantity adjustments, including a deleted water line totaling \$28,363 for a new contract increase of \$23,501. The original contract was for \$1,189,194 and the new total is now \$1,212,695. Also, a time extension for additional work and weather delays of 97 days is included in the change order.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 27-76 approving a settlement of claim by Bay Cities Paving & Grading, Inc. for extra work on Site Improvement Contract No. 4, Hunters Point Redevelopment Project.

This is a settlement of a claim for \$75,125 from Bay Cities Paving & Grading, Inc. for extra costs incurred in performing work under Site Improvement Contract No. 4 in Hunters Point. Mr. Evans indicated that the Members had authorized the setting up of a panel, including Agency General Counsel Henry F. Davis, the Director of the Engineering Division Redmond Kernan, and Assistant Area Director for Hunters Point Jerry Belcher, to analyze the claim in detail and negotiate with Bay Cities. Payment of a settlement of \$55,915 is recommended subject to HUD approval.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Assistant Agency Secretary

REDEVELOPMENT
RENEWAL DISTRICT
SAN FRANCISCO REDEVELOPMENT
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MS. CASSANDRA STANLEY
DIRECTOR, PUBLIC RELATIONS

San Francisco is everybody's favorite American city. It is particularly fitting that even Federally funded urban renewal, with its up and down record of achievements, turned out to be terrific in San Francisco.

Guided for many years by a redevelopment agency particularly sensitive to the special ambience of the city, the renewal effort in San Francisco can point to a number of renewal projects meriting national and international attention during our Third Century celebration.

Diamond Heights was that rarest of sites, undeveloped land within minutes of downtown. It had escaped development because of a gridiron street pattern laid out over ravines and contours too hilly to accept such a pattern. In acquiring and replatting the land, the Redevelopment Agency made history in a court test of the California Community Development

Act when it won the right to "redevelop" undeveloped land. The land was then promoted like a real estate development with the Agency getting lot prices high enough in many instances so the project needed no Federal subsidy. And by pricing prime lots high, the city could sell sites for middle-income units at artificially low prices — a nice Robin Hood touch to city policy. Today Diamond Heights is a striking and vital new area, with 1,785 new homes in an unusually wide range of prices. A model of racial and economic integration, the whole area exhibits "the imaginative architecture that has come to be expected in San Francisco."

Like many cities, San Francisco could exhibit valuable in-town land saddled with left-over uses; in this case, 51 acres near the city's financial section that were occupied by the congested marketplace for wholesale produce.

The Redevelopment Agency was instrumental in relocating most firms in a modern produce terminal, making way for a sophisticated development of residential and commercial areas, with platforms constructed above street level to separate pedestrians from vehicular traffic.

The project, known as Golden Gateway, adds 2,553 housing units, a flamboyant new hotel, new commercial space, and the five-block complex known as Embarcadero Center, which provides three-level shopping in a four-block complex that has already been called the "The Broadway of the West." The Center embodies a place for play and work with a particularly sophisticated circulation system, and, as part of Golden Gateway Center, particular attention to the amenities

that bring light and space to the center city—parks, fountains, visual variety.

The city required of both commercial and residential developers at Golden Gateway that at least one percent of construction costs be devoted to exterior art, and the inclusion of significant pieces of sculpture and of fountains has brought Golden Gateway a design award from the Department of Housing and Urban Development and a citation from the American Institute of Architects.

Hunter's Point was a community that did not fit the urbane San Francisco image; it was a slum community in a deteriorating ghetto. People lived in run-down shacks and in the old Navy Barracks that had been condemned in 1948. Riots in 1966 nearly destroyed the community. It was at this point that residents' determination to make a community happen pushed the city into a partnership effort. The citizens of Hunter's Point and the Redevelopment Agency chose Aaron Green as prime consultant/architect/planner; by 1969 they had developed a master plan for the new Hunter's Point. The master plan, recipient of a 1974 design award from the Department of Housing and Urban Development, represents no less a goal than turning the ghetto-slum into a functioning community. The award cites "phased residential upgrading...a thorough and aggressive approach...local citizen involvement...central to the decision making of the many agencies involved." Today a view of Hunter's Point shows a community in transition, one hilly panorama presents a cluster of still-inhabited shacks, some aging housing stock, and some first-stage redevelopment. Several hundred

homes have been built, along with new child care centers, a school, a park, and a water system. Federal and city revenue sharing funds support the continuing development of Hunter's Point, where residents are determined to see the planning through despite the tougher financial climate of recent years.

Another uniquely San Franciscan community also has had a renewal role in concert with the city. A Japanese-American community had been part of the area known as Western Addition since the turn of the century. Moved into security camps during World War II, the Japanese-Americans returned to a deteriorating physical neighborhood and a fragmented community. There was an obvious need for economic and symbolic revitalization, and by 1960 the reinvigorated community was able to work with the city to build a Japanese Cultural and Trade Center. The Japanese Government was a financial partner in this first ethnic cultural and trade center to be built under redevelopment in this country. The \$15 million center, completed in 1968, is the city's newest tourist attraction. Styled in the Japanese idiom, restaurants, tea houses, baths, stores, galleries, and shops are a busy focus for visitors and for the Japanese community. A Peace Pagoda, designed by Yoshio Taniguchi, is a proud new landmark for the city and a signal to all Japanese-Americans that "Japan-town" is alive and well in San Francisco.

Old things matter, too, in San Francisco. Indeed the marvelous Victorian houses that the city and passionate residents have saved form the mental image of San Francisco for many day-dreaming city lovers. As does the clock tower of Ghirardelli

Square, whose preservation and redevelopment have become a hallmark of the good thing: preservation can do for a city. Ghirardelli Square, on the North Waterfront, was the location of handsome, solid industrial buildings, one of which was a chocolate factory constructed in the 1860's. A hundred years later the factory and its adjacent buildings had been passed by, and plans were afoot for high-rise development. A group led by William M. Roth purchased the site, convinced the buildings themselves had potential for a new economic life. They worked with the architectural firm of Wurst, Bernardi and Enmons to create a special city place for people, shopping, looking. The site solution involved rehabilitation of the buildings, provision of parking under a central garden, and extensive landscaping. Buildings face inward to a central plaza and have to the north those views which are San Francisco—the Bay and the Golden Gate Bridge. The Square has been much honored, much photographed, much visited. It has managed to be a smashing success economically as well as aesthetically, with a melange of elegant and unusual shops, restaurants, and theaters without the large department store that so often is the anchor for American shopping centers. A very San Francisco place; one of the first major commercial conversion/restoration projects in the country.

Community renewal is alive and well in San Francisco. Art, architecture, the blessing of the city's physical setting, people who care about the quality of the cityscape both in and out of government; a fortuitous combination of good luck, good people, and a good place have made San Francisco, simply, the best example of renewal in the country.

From: "HORIZONS ON DISPLAY, Part of the Continuing American Revolution", A Bicentennial

Tribute to Community Achievement, February, 1976.

FEB 26 1976

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF FEBRUARY 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 10th day of February 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Joe Mosley
James A. Silva
Francis J. Solvin

and the following were absent:

Stanley E. Jensen, Vice Chairman

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Charles Caito, Pacific Rendering Company; and Arnold G. Townsend, Western Addition Project Area Committee.

Representing the press was Donald Canter, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of the Regular Meeting of February 3, 1976, as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) Mr. Evans indicated that he would submit a full report of his Washington, D.C. trip to the Members. He considered the trip to be a successful one, particularly in regard to meetings with the representatives of the Department of Housing and Urban Development (HUD) on a number of items affecting the Agency, which he believed would move through to solution.
- (b) The National Association of Housing and Redevelopment Officials (NAHRO) meetings were also productive. It was indicated that the 312 loan program which is due to expire this August will very likely garner sufficient support from Congress to continue the program. The President had indicated he would impound \$60 million of the Section 312 funds. Under the new anti-impoundment statutes, the President must write Congress for concurrence and Congress has forty-five days in which to respond. The House of Representatives did not concur nor did it extend HUD the courtesy of a public hearing; therefore, the \$60 million must be released, which is good news.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) The hold harmless provision of the community development legislation which allows San Francisco a three-year \$28 million funding level when then sharply declines may be considered for extension. There is a strong belief that it should be continued. This is a major item for NAHRO to work on.
- (d) Mr. James Price, Area Director for HUD, has advised that the City's community development application for 1976 funding has been approved.
- (e) Under the community development legislation, there is a separate funding provision known as urgent needs funds which Congress intended to make available to cities with substantial programs to ease the transition of conventional urban renewal projects to community development funding. These urgent needs funds were authorized for \$50 million for last year, \$50 million for 1976, and \$100 million next year. San Francisco requested \$7 million and has just been notified that it will receive \$3.3 million; considering the funding limitations, this is quite satisfactory.
- (f) Many people on the staff have indicated serious concern about the problems in Guatemala incurred by the severe earthquake which has killed thousands and have solicited contributions among the staff to aid in the relief of the country. Mr. Evans indicated that a resolution had been drafted in which the Members of the Agency ask other city agencies to expend diligent efforts to contribute to the earthquake victims. Chairman Kaplan indicated that this item would be taken up as an off-agenda item.
- (g) Mr. Evans indicated that this was Black History Week and there will be a dedication this Sunday, February 15, 1976, at 2 p.m. for the Mary Ellen Pleasant Park in the Western Addition A-2 project area at Octavia and Bush Streets. This park was named for Mrs. Pleasant, a former slave who was called the "mother of civil rights" in California. The park which abuts the Cathedral Hill Medical Center contains a number of large eucalyptus trees that Western Addition residents and staff have successfully fought to preserve. The Agency and the Western Addition Project Area Committee (WAPAC) will join with the Medical Center and African-American Historical and Cultural Society in sponsoring the dedication after which a plaque will be placed in honor of Mammy Pleasant. Mr. Evans indicated that the Agency had memorialized many other important black figures in history in its other projects in Hunters Point and Western Addition.

NEW BUSINESS

- (a) Resolution No. 30-76 authorizing termination of agreement for disposition of land for private redevelopment of Parcel 30, India Basin Industrial Park Project.

This is an authorization to terminate the disposition agreement of February 27, 1975 with the Pacific Rendering Company for Parcel 30 in India Basin. The company has diligently worked to pursue development of a new rendering plant but was unable to obtain adequate financing, due to a depressed economy. The good faith deposit of \$7,887 would be refunded. During the time the company was attempting to relocate, the Agency worked around the site, but now the property will be vacated by the end of February and site improvements can proceed. Mr. Solvin inquired if the company were going out of business, and Mr. Evans indicated that it appeared so, although it may merge with another company.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 31-76 approving work order for fire inspection services for the period February 16, 1976 to February 16, 1977 for Western Addition Area A-2 Approved Redevelopment Project Area.

This item represents a work order with the San Francisco Fire Department not to exceed \$3,000 or twelve months' time to provide services for one fire inspector to work with the Agency's rehabilitation staff in performing comprehensive property inspections proposed to be retained and rehabilitated. Mr. Evans indicated that the volume has built up and in order to conform to HUD regulations requiring that the Agency perform such inspection services it is desirable to accelerate the process by securing the services of the Fire Department on an as-needed basis.

ADOPTION: It was moved by Mr. Mosley, seconded, by Mr. Silva, and unanimously carried that this resolution be adopted.

- (c) Consideration to advertise Demolition and Site Clearance Contract No. 66, Western Addition Approved Redevelopment Project Area A-2.

This is a request to advertise Demolition and Site Clearance Contract No. 66 in Western Addition A-2 for demolition of one vacant building, two being vacated, and one to be vacated on a mutually agreeable schedule.

MOTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that Demolition and Site Clearance Contract No. 66, Western Addition Approved Redevelopment Project AREA A-2, be advertised.

- (d) Consideration to advertise Demolition and Site Clearance Contract No. 42, Yerba Buena Center Approved Redevelopment Project.

This concerns authorization to advertise Demolition and Site Clearance Contract No. 42 in Yerba Buena Center to demolish two buildings on Parcel 3751-F and demolition of a wall located at 758-760 Mission Street. Parcel 3751-F contains two concrete buildings at Fourth and Shipley Streets and is being considered as an alternative to the Taylor-Woodrow site by the American Telephone and Telegraph Company. The wall which was part of a five-story building already demolished could not be removed as originally anticipated because it is bonded to the west wall of St. Patrick's Rectory, a retention building. Removal will require hand work and since this condition was unforeseen, it is recommended that the work be deleted from Contract No. 38 and added to the proposed contract.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that Demolition and Site Clearance Contract No. 42 in Yerba Buena Center Redevelopment Project be advertised.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 34-76 expressing concern and urging support for the earthquake victims of Guatemala.

minutes of a Regular Meeting, February 10, 1976

MATTERS NOT APPEARING ON AGENDA (continued)

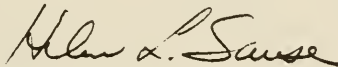
Mr. Evans indicated that in line with the solicitation of funds for Guatemalan relief for earthquake victims, the Board of Supervisors had passed a resolution requesting all citizens of San Francisco to make a contribution. This resolution would in turn ask other city agencies to follow suit in alleviating the devastating tragedy in that country.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Solvin, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Helen L. Sause". The signature is fluid and cursive, with the first name "Helen" and last name "Sause" clearly distinguishable.

Helen L. Sause
Assistant Agency Secretary

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76

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF FEBRUARY 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 17th day of February 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Stanley E. Jensen, Vice Chairman
Joe Mosley
James A. Silva
Francis J. Solvin

and the following was absent:

None

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Margaret Franklin, Albright Janitorial Service; and John H. Hom, Shapiro, Okino, Hom and Associates.

Representing the press were Marshall Kilduff, San Francisco Chronicle; and Donald Canter, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that the minutes of the Regular Meeting of February 10, 1976, as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The dedication of the Mary Ellen Pleasant minipark occurred Sunday, February 15, 1976 and was well covered by Channel 4 TV. Mr. Evans indicated that the Department of Public Works had unexpectedly trimmed the trees Friday and left a pile of debris on the park site, but it was cleaned up before the dedication by two of the maintenance staff and Mr. Gene Suttle, Area Director for Western Addition A-2.
- (b) Another dedication in Western Addition A-2 is scheduled for the New Liberation United Presbyterian Church at 3 p.m. on February 22, 1976, between Turk and Eddy Streets on Divisadero. This structure represents a substantial improvement in Western Addition A-2, as well as an investment in time, effort, and money under the direction of the pastor of the church, Reverend Hannibal Williams

NEW BUSINESS

- (a) Resolution No. 37-76 approving form of agreement with Shapiro, Okino, Hom and Associates for personal services in connection with structural and related engineering services for the rehabilitation division of the San Francisco Redevelopment Agency, and authorizing execution thereof.

Mr. Evans recalled that the Members had previously selected for purposes of negotiation the structural engineering firm of Shapiro, Okino, Hom and Associates. Staff has now negotiated a contract with the firm to provide structural engineering services to the rehabilitation staff on an as-needed basis for an amount not to exceed \$50,000.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 32-76 approving form of first amendatory agreement between the Agency and Maisin Development Corporation, a California corporation, and authorizing execution thereof, Parcel 672-B, Western Addition Approved Redevelopment Project Area A-2.

Chairman Kaplan indicated that this item would be held over at the request of the Western Addition Project Area Committee (WAPAC).

- (c) Resolution No. 33-76 authorizing payment of \$184 in settlement of claim of Catherine Castleberry, Hunters Point Project Area.

This is a recommendation for payment of a claim of \$184 to Mrs. Catherine Castleberry for water damage to personal property in her Hunters Point apartment as a result of a blockage in Agency controlled sewage lines within her building.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 35-76 authorizing the Executive Director to enter into a contract for janitorial services at the Central office.
- (e) Resolution No. 36-76 authorizing the Executive Director to enter into a contract for janitorial services at the Hunters Point site office.

Chairman Kaplan indicated that both these items would be considered together. He also noted the presence of Mrs. Margaret Franklin of Albright Janitorial Service and inquired if she wished to make a statement. Mrs. Franklin indicated that Albright was the low bidder for both janitorial contracts when the work was previously bid and now was low bidder on only the Central office and wished to be considered for the work at Hunters Point as well. She indicated that the firm was a minority one and noted that the rebidding had been particularly difficult for the firm. Chairman Kaplan indicated that the firm was being recommended for the larger contract at Central office. Mr. Wilbur Hamilton, Deputy Executive Director, indicated that as a result of the rebidding for the janitorial contract for both offices, Albright was recommended for Central office and Willie's Maintenance Company for the work at Hunters Point. Both firms are San Francisco based minority firms. The

NEW BUSINESS (continued)

Central office bid is \$825 per month, as compared to \$925 presently, and \$425 as against \$670 presently for Hunters Point. Chairman Kaplan inquired as to the reason Willie's Maintenance was selected over Clark's Janitorial Service which was a lower bid, and Mr. Hamilton replied that the firm had insufficient experience to deal with the Agency requirements and also lacked agreements with the janitorial union. Mr. Silva inquired what the square footage was for each office covered in the bid, and Mr. Hamilton indicated that he did not know at this time. Mr. Silva requested that this information be made available to the Members, and Mr. Hamilton indicated that it would be forwarded to them.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Helen L. Sause". The signature is written in dark ink and is positioned above the printed name and title.

Helen L. Sause
Assistant Agency Secretary

6

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF MARCH 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 2nd day of March 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Stanley E. Jensen, Vice Chairman
James A. Silva
Francis J. Solvin

DOCUMENTS

MAR 10 1976

and the following was absent:

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Joe Mosley

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Lyman Jee and Henry Poy, Arcon/Pacific Ltd; Jack Anderson, Ernest DeManty, Thomas Lee, and Steve Fujioka, Architects Associated; T. Y. Lyn and Y. C. Yang, T. Y. Lyn International; Don Brothers, mart management; Clark Cramer, realtor; Steve Barriston, financial advisor; John Hull, general contractor; Edgar Baker, West Coast Salesmen's Association; Irving Singer, San Francisco Fashion Guild; James Basket, Buck Sweit, Hal Meister, and Paul Crow, Apparel Mart Committee; Greg Hurst, Greater San Francisco Chamber of Commerce; Leland Meyerzove, San Francisco Coalition and Economic Opportunity Council; Stanley Smith, San Francisco Building Trades Council; Ernest Wertheim, Wertheim and Van der Ploeg; Henry Gage, Alberts Patrol Service; Louise Westbrook, Oscar James, O. Webb, Geary Brown, Bayview-Hunters Point Coordinating Council; and James Flack, interested citizen.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Dan Borsuk, San Francisco Progress; Ted Schade, KPFA Radio; Mel Wax, KQED Channel 9 TV.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that the minutes of the Regular Meeting of February 17, 1976, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

- (a) Mrs. Elouise Westbrook of the Bayview-Hunters Point Coordinating Council came forward and indicated that there was a problem at Hunters Point in regard to the proposed award of a contract to the Bay Cities Paving and Grading, Inc. She noted that this contractor had been working in the area at the time two children were killed and that the community was concerned about this firm doing

SPECIAL APPEARANCES (continued)

further work in the area. She requested that the Bayview-Hunters Point Coordinating Council be afforded the opportunity to investigate these concerns before a contract award was made. Chairman Kaplan indicated that the matter was not calendared, and Mr. Evans indicated that the item was to be scheduled for next week's meeting. Chairman Kaplan inquired if Mrs. Westbrook had met with the contractor and she answered negatively, noting that she was requesting the Agency to intercede in the matter. Chairman Kaplan indicated that the staff would meet with the contractor and the Council.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 3706, Site 1, and 3723, Site 6, Yerba Buena Center Approved Redevelopment Project Area D-1.

- (b) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 3706, Site 1, and 3723, Site 6, Yerba Buena Center Approved Redevelopment Project Area D-1.

Mr. Evans indicated that the two sites represented a major undertaking which goes back to the selection of Schlesinger-Arcon/Pacific Corporation, the developer of the Central Blocks of the Yerba Buena Center in 1970. Since then there have been many issues to resolve. As a result of the difficulty in efforts to move the project forward, eight or ten months ago an effort was initiated to separate the private sites from the public areas. The original concept of the public areas being constructed first was based upon the premise that it was to the City's advantage to have first access to the construction area. It was also believed that private development would then be attracted. Due to the delays in starting construction in the public areas, the approach was changed. Since approval of the Environmental Impact Report, prepared by Arthur D. Little, Inc., a number of parcels have been offered for private development but these did not work out. Some private construction, however, is under way. The Pacific Telephone and Telegraph Company building is nearing completion and a proposal for an American Telephone and Telegraph Company building will before the Members at an early meeting. The attractive Community College building located at Fourth and Mission Streets is now under construction. An entertainment center being developed by Mr. Mel Swig and his group is going forward. Mr. Evans noted that there were indications that the economy was becoming stronger. The apparel industry has now come forward indicating that it must now proceed to develop an apparel mart, because it has now been delayed approximately seven years; if the development cannot be assured of commencement now, then it will be necessary for the group to look for another location elsewhere. These two sites offer the opportunity for development of a major office building on Market Street with direct access to BART and for construction of the apparel mart. Mr. Evans indicated that he had been asked to report on comments from Mayor George Moscone, which he would present at the conclusion of the hearing.

Chairman Kaplan indicated that the proponents of the proposal would be heard first.

Mr. Lyman Jee of Arcon/Pacific Ltd. came forward and introduced the members of the development team, as follows: Henry Poy of Arcon/Pacific Ltd; T. Y. Lyn and Y. C. Yang, T. Y. Lyn International; Don Brothers, mart management; Clark Cramer, realtor; Steve Barrlston, financial advisor; John Hull, general contractor; and Jack Anderson, Architects Associated. Mr. Jee indicated that

SPECIAL APPEARANCES (continued)

Mr. Ralph Torello of Arcon/Pacific Ltd. was in New York on project financing. He indicated that he was present to request the Members' approval to proceed on two of the private development parcels in Yerba Buena Center. The first was the site for the office building on Market Street at the entrance of the Yerba Buena Center Plaza, and the second was the apparel mart site on Third between Mission and Howard Streets. In both cases the economic feasibility and tenancy for marketing and operation of the building and apparel mart was such that the construction could start within a year. The two buildings meet all the criteria of the Yerba Buena Center Redevelopment Plan and the City's Master Plan approved by the City Planning Department. The design conforms with the 1973 Environmental Impact Report prepared for the City by Arthur D. Little, Inc. The architectural team has also considered the Environmental Impact Statement of the Department of Housing and Urban Development (HUD).

Mr. Jee indicated that the office structure was a 32-story office tower with an adjacent two-to-three-story commercial building for a total of 705,000 square feet, costing from \$30- to \$40 million, including the land disposition price of \$2,325,000, with construction start scheduled for November 1976. The building is located at an entry to BART and there would be shops at both the Market Street and BART levels. The 1.1 million square-foot apparel mart will be from ten to twelve stories with eight floors to be used exclusively by the apparel industry and three levels of shops and restaurants. Another three levels will be parking up to approximately 900 cars, which constitutes a change in the overall number of spaces. The cost is \$42 million, including the disposition price of \$2,180,000, with construction scheduled to start January 1977. Mr. Jee added that there would be a 2.5-acre roof area with a private membership club featuring a health spa, swimming pool, and meeting and banquet rooms. Another section would have thirty-one townhouses with outdoor garden patios. Both the EIS and EIR recommended such treatment to soften the expanse of the roof area.

Mr. Jee indicated that there were four major reasons to start the project now: (1) it would create a great many construction jobs in San Francisco in addition to generating permanent jobs which would be filled in accordance with the terms of an affirmative action program; (2) it would place \$70- to \$80 million of privately owned real estate on the tax rolls for an income of \$2.6 million per year; (3) it would permit the San Francisco apparel industry to remain in San Francisco; and (4) the public facilities would be assured of certain tax increments which could aid the City in moving more quickly to start the public facilities. Mr. Jee indicated that he wished to introduce Mr. Edgar Baker, President of the Board of the West Coast Salesmen's Association.

Mr. Edgar Baker came forward and indicated he was not appearing solely as the President of the West Coast Salesmen's Association, but as part of a joint committee consisting of the following: Mr. Irving Singer, President of the San Francisco Fashion Guild; and Messrs. James Basket, Buck Swelt, Hal Meister, and Paul Crow, who were members of the Apparel Mart Committee.

Mr. Baker indicated that the apparel mart needed to be in San Francisco and the reasons why the decision has to be made today. He reported that at present the West Coast Salesmen's Association holds five markets each year at the Sheraton Palace Hotel, and the San Francisco Fashion Guild at the Hyatt Regency Hotel. Over 6,000 persons representing 2,000 manufacturers attend the shows which attract 15,000 consumers and buyers from Northern California. This has

SPECIAL APPEARANCES (continued)

continued for the past forty-five years, and Mr. Baker indicated that the San Francisco apparel show had the dubious distinction of being the largest hotel-based operation in the United States. The antiquated way in which the shows are put together has resulted in a loss of business, and it is essential to locate in a larger area. Efforts have been made to house all the shows in one hotel, but of the three large enough to accommodate the shows none is able to guarantee the ten-year prescribed schedule. He noted that historically there was one major show per year and this had now changed to five shows each year. Because of the fast changing market, it is now necessary to maintain a year round coordinated market. He also indicated that 200 members of his industry had already signed letters of intent for substantial space in the apparel mart, and that the consular corps for foreign manufacturers had also shown interest for space to present foreign fashions to the United States and the California markets. He foresaw an average of twenty shows each year with over 50,000 buyers coming to San Francisco, with each show lasting from three to four days. The income to San Francisco would exceed \$15 million a year to the hotel and restaurant industry, and he cited other examples of income which the apparel markets would generate in the city. He indicated that the overwhelming majority of the Association membership favored the Yerba Buena Center site, after having looked at other attractive areas outside San Francisco. He requested that the Members approve the disposition of the apparel mart parcel after six years of frustrating delays. This will permit the apparel industry to remain in San Francisco where it belongs. He stressed that other cities were siphoning off a great deal of the apparel business and a decision was necessary now.

Chairman Kaplan inquired if Mr. Baker's group was more united than when the Apparel City proposal had been considered, and the reply was affirmative. Mr. Jee indicated that this concluded his presentation on the development, and Chairman Kaplan thanked him and asked if there were further persons present wishing to speak in favor of the project.

Mr. Greg Hurst of the Greater San Francisco Chamber of Commerce came forward and indicated that the Chamber was enthusiastic about the development and endorsed the proposal which fully supported the move to a more positive development in San Francisco. He concurred in Mr. Baker's remarks concerning the attraction of business from San Francisco by other cities and stressed that this was a serious problem. Many industries are interested in coming to San Francisco to establish headquarter offices but are concerned about the problems in dealing with governmental agencies. Mr. Hurst indicated that the Chamber was making every effort to keep industry in the city and the move of the apparel industry from the city would be a great loss. He stressed that any criticism of Yerba Buena Center voiced in the past had no relation to the private development, and he requested that a favorable decision be made today by the Members to keep the apparel industry in San Francisco.

Mr. Stanley Smith of the San Francisco Building Trades Council came forward in support of the proposed development and stressed his concern about San Francisco unemployment which ranged from 35- to 40 percent in the building trades. He stated the need for jobs and noted that the labor movement in the city repeatedly endorsed the Yerba Buena Center project and urged that it be moved forward. He believed that Yerba Buena Center had been studied and evaluated from every conceivable aspect and stressed that construction of the project was needed now.

SPECIAL APPEARANCES (continued)

Mr. Leland Meyerzove of the San Francisco Coalition and Economic Opportunity Council came forward and indicated that he and Mr. Smith were working closely in connection with the sports arena and indicated his concurrence with Mr. Smith in the need for jobs so that more people could be brought into the affirmative action apprentice program. He believed the project to be an important part of San Francisco, and the apparel mart was an example of how industries themselves could provide their own showrooms rather than be located in a large facility, such as that used for conventions. He hoped that the apparel industry would remain in San Francisco because the city needed the money it would generate.

Chairman Kaplan inquired if any persons wished to speak against the proposed development.

Mr. James Flack came forward and indicated that he was a citizen taxpayer and was pleased progress in the project area was being made but noted that he was puzzled as to why, after a six-years' delay, development of the private sector was to proceed without the review of the Yerba Buena Center Citizens' Committee. He inquired if this was the same type of disposition agreement as for the Taylor-Woodrow and Continental Development sites, and Mr. Evans replied affirmatively. Mr. Flack asked if this agreement could be terminated as had the Taylor-Woodrow agreement, because it could not finance the development. Mr. Evans replied affirmatively, and Chairman Kaplan noted that Continental had withdrawn voluntarily. Mr. Flack noted that if the agreement still afforded an opportunity to withdraw, why was it necessary to enter into a disposition agreement at this time. Mr. Evans indicated that the nature of financing developments was such that it would be difficult to find a developer who could afford to spend the large sum of money necessary to prepare architectural plans and feasibility studies for presentation to a lending institution to obtain a \$40 million loan, as well as prepare the complicated documents required for start of construction. Unlike private real estate transactions, the Agency does not do business on options, and HUD regulations require the Agency to work only under contracts. In order to learn whether a prospective development is feasible, the Agency enters into a contract with a developer who has presented a reasonable prospect that in the present economic market the project could be built. This starts the process of determining feasibility. He indicated that action by the Agency on exterior design of the buildings would be taken later. Mr. Flack indicated his belief that the timing was inappropriate because Mayor George Moscone was seeking a citizens' review of the entire renewal area.

Chairman Kaplan indicated that the apparel industry has the money and needs to start construction now and further delays could cause the loss of the industry to the city. Chairman Kaplan declared the public hearing closed.

NEW BUSINESS

- (a) Resolution No. 38-76 approving the disposition price and method of sale; ratifying publication of notice of public hearing; authorizing acceptance of offer to purchase and execution of agreements for disposition and other conveyance instruments, all in connection with the sale of Parcels 3706, Site 1, and 3723, Site 6, Yerba Buena Center Approved Redevelopment Project Area D-1.

This was the subject of the public hearing just held and authorizes execution of two disposition agreements for private sites in the Central Blocks area of Yerba Buena Center to the Arcon/Pacific Ltd. for construction on Site 1 of a 32-story office building and adjacent three-story commercial structure totaling

NEW BUSINESS (continued)

705,000 square feet at a cost of \$30- to \$40 million commencing November 1976, and also construction on Site 6 of an 11-story apparel mart consisting of 1.1 million square feet at a cost of \$40 million with construction to start January 1977. The disposition price for Site 1 was \$2,325,000 and for Site 6 \$2,180,000.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Solvin, and unanimously carried that this resolution be adopted.

Mr. Jensen indicated that this development was a long time in coming and it would provide sorely needed employment for San Francisco. He expressed concern that because of delay in the project, thousands of jobs had left the city.

Mr. Evans indicated that Mayor George Moscone had asked him to convey to the Members an appeal for delay in approval of the apparel mart because even though he recognized its importance, he wished to allow a citizens' committee to study the area before proceeding. He recommended that the building on Market Street proceed. Mr. Jensen indicated his wish that the Mayor had come in person with his request to the Agency. Chairman Kaplan indicated that the motion was unanimous.

Chairman Kaplan declared a five-minute recess at 4:35 p.m. The meeting resumed at 4:40 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) Bad news has been received about the legislation which would allow the Agency to finance new residential construction known as SB 99. This bill was drafted by the Agency and sponsored by Senator Milton Marks and Assemblyman Willie Brown and would be implemented through bank loans to the Agency on tax exempt notes. It has been determined that a validation suit is necessary to obtain an unqualified bond opinion, therefore the City of San Pablo hired an attorney and filed the suit which was in the State Supreme Court on January 21, 1976. On February 18, 1976 notice was received that the Court refused to take jurisdiction so the result may take a year to a year and a half to have the suit resolved.

NEW BUSINESS (continued)

- (b) Resolution No. 39-76 authorizing execution of an agreement for personal services with Michael Painter and Associates, a landscape architectural firm, to render professional landscape architectural services for Ridgetop Park for the Hunters Point Redevelopment Project.

This represents execution of a contract for architectural services with Michael Painter and Associates for the design of the \$600,000 Ridgetop Park in Hunters Point for \$53,000 to complete landscape architectural services.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 40-76 authorizing execution of an agreement for personal services with Wertheim and Van der Ploeg, a partnership with Ernest Wertheim, a registered landscape architect, to render professional landscape architectural design for the Hunters Point Redevelopment Project.

NEW BUSINESS (continued)

This represents execution of a contract for Hunters Point architectural services with Wertheim and Van der Ploeg for (1) design of areas around Moderate-Priced Private Housing Sites 4 and 5; (2) redesign of areas around Sites 1, 2, and 3; (3) undeveloped land owned by the Agency. The contract is \$30,000 on a time and material basis. The contract was originally estimated at \$15,000; however, due to a change in City policy, whereby the landscape areas surrounding Phase I housing developments are now to be financed with Community Development funds, rather than from the City's Capital Improvement budget, it was necessary to increase the scope of services. In reply to Mr. Silva's question, Mr. Evans indicated that the Department of Public Works had had the original design done before the existing housing units were built and this work had to be redone. This design work will cost approximately \$10,000, and the work for Sites 1, 2, and 3 will be approximately \$5,000.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 41-76 approving and authorizing the Executive Director to execute a purchase order for construction of gravel pedestrian path in M. Justin Herman Park, Phase II, in the Golden Gateway Redevelopment Project Area.
- (e) Resolution No. 42-76 approving and authorizing the Executive Director to execute a purchase order for construction of a tool and equipment storage shed in M. Justin Herman Park, Phase II, in the Golden Gateway Approved Redevelopment Project Area.

Chairman Kaplan indicated that both these items would be considered together. The first is a purchase order in connection with the construction of a gravel pedestrian path in the M. Justin Herman Park, Phase II, at a cost of \$1,500 to the low bidder, Batista Landscape Service. The second item concerns construction of a tool and equipment shed for use by the Recreation and Park Department by the low bidder, Robert Yick Company, for \$18,850. This work is being paid for by private funds. Mr. Silva inquired if these items would complete the park and Mr. Evans indicated that there were four work items which would be done under purchase orders totaling \$2,300, of which \$300 is from private funds. These items include an irrigation system, handrails, subdrain, and some planting.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that these resolutions be adopted.

- (f) Consideration of automobile fleet insurance proposals.

On January 12, 1976 proposals were solicited for the Agency's automobile insurance from thirteen brokers, of which one proposal was received from the R. Carrie Agency, the present carrier, for a quote on a fleet of 40 vehicles for \$25,623. The average cost of insurance per vehicle this year is \$641 as compared with \$628 last year. It is recommended that the R. Carrie Agency be designated as the Agency's insurance carrier.

MOTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that the R. Carrie Agency be designated as the Agency's automobile insurance carrier.

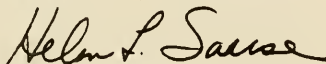
NEW BUSINESS (continued)

Mr. Jensen inquired about the use of the 40 vehicles, and Mr. Evans explained that the project areas are so large that it is necessary for maintenance men and inspectors on the construction work to have transportation to the sites. Mr. Silva requested that a list of Agency vehicles be sent to the Members indicating where each is used.

ADJOURNMENT

† was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:50 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Assistant Agency Secretary

76

DOCUMENTS

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF MARCH 1976

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The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 9th day of March 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Joe Mosley
James A. Silva
Francis J. Solvin

and the following was absent:

Stanley E. Jensen, Vice Chairman

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Esther Marks, League of Women Voters of San Francisco; W. W. Towner, Golden Gateway Center; Michael McGill, San Francisco Planning and Urban Renewal Association (SPUR); Laura T. Aldridge, San Francisco Public Housing Tenants Association; and Major Oscar Youngquist, The Salvation Army.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Solvin, and unanimously carried that the minutes of the Regular Meeting of March 2, 1976, as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) There is to be an open house at the new Western Addition Area A-2 site office located at 1519 O'Farrell Street at Webster Street on Friday, March 12, 1976, from 11 a.m. to 2 p.m., and all are cordially invited to attend. Mr. Evans commended the staff on the fine rehabilitation work that had been accomplished.
- (b) Mr. Evans indicated that one of the Agency staff, Mr. Frank Cannizzaro, Civil Engineer of the Engineering Division at Hunters Point, has been elected by highest vote to the position of City Councilman of the City of Millbrae. Mr. Evans congratulated him on this honor.
- (c) Mr. Earl Mills, Deputy Area Director of Hunters Point, was also appointed to the Bay Conservation and Development Commission (BCDC). Mr. Evans indicated his pleasure in seeing the staff active in the community, as well as within the Agency.

NEW BUSINESS

- (a) Resolution No. 227-75 rescinding Resolution No. 262-72, adopted November 14, 1972, which approved a form of amendment to the land disposition agreement with the Golden Gateway Center, a limited partnership, and authorizing the Executive Director to execute a second amendment and necessary conveyance documents with said partnership, Embarcadero-Lower Market Approved Redevelopment Project Area E-1.

This item which was previously presented to the Members was held over at their request for additional details in connection with the conveyance of the Sidney Walton Square. Language has now been drafted which essentially would convey the Square to the Agency, which in turn would reconvey it to the Golden Gateway Center through a covenant in the deed requiring its use as a landscaped park. In the event the Square is not used for a landscaped park for a period of ninety days, then the Agency regains title to the property. If this is done, the Agency will be obligated to maintain the area as a park as long as the developer provides maintenance funds. If the developer does not provide such funding, the Agency may do what it wishes with the land. This achieves the objective of holding the land in private ownership and provides assurance that liability and maintenance will continue with the private developer.

Mr. Silva indicated that it appeared this language would still enable the developer to get out from under the agreement requirements. He indicated also that Mr. Jensen had specifically requested that there be no way in which the park could be developed and suggested that he be given an opportunity to review the language. Mr. Evans indicated that even if the land reverted to the Agency, it would be required to keep the area as a park as long as the developer provided funds. Chairman Kaplan expressed the opinion that the amendment was accomplishing exactly what Mr. Jensen had requested, but Mr. Silva indicated his concern that there was an escape clause for the developer. Mr. Silva recalled that Mr. Jensen had wanted unqualified assurance that the developer could not build on the land and would pay for the maintenance. Mr. Evans indicated that the language was developed to accomplish Mr. Jensen's intention and assured that the park would be continued through use of language which was the most enforceable. He indicated that several alternate methods had been considered, but this proposal was the best counsel could develop to accomplish the Members' objectives.

Mr. Solvin indicated that if there were no urgency, he would prefer to wait until Mr. Jensen had expressed his opinion on the matter because it was of interest to him.

Mr. Mosley joined the meeting at 3:50 p.m.

Mr. Evans indicated that the matter was not one of great urgency in the sense that a loss would occur but there was some frustration in continued delays of the item. Discussion followed and it was agreed that the item would be continued one week.

MOTION: It was moved by Mr. Solvin, seconded by Mr. Silva, and unanimously carried that Resolution No. 227-75 would be continued for one week.

- (b) Resolution No. 46-76 approving form of first amendatory agreement between the Agency and the Salvation Army, a California corporation, with respect to disposition Parcel 3752-C; and authorizing execution thereof, Yerba Buena Center Approved Redevelopment Project Area D-1.

EW BUSINESS (continued)

This concerns an extension of eighteen months, retroactive to September 1975, to the Salvation Army disposition agreement to permit them to obtain tenants for the three-story building to be developed adjacent to the 258-unit senior citizens housing in the Yerba Buena Center. In response to Mr. Solvin's question, Mr. Evans indicated that it was contemplated that there would be ground floor retail and commercial facilities, with two floors above for use by the Salvation Army for its Northern California-Nevada headquarters office. The request was made because the lack of development in the core blocks of the project made it impossible for such use to be economically feasible. Mr. Evans indicated that staff did not believe an effort to substitute developers would be warranted. He indicated that when there were more people working in the area, such use would be feasible, and he also indicated that this extension still appeared to be a tight schedule since the core area continued to be delayed.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (c) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 41, Yerba Buena Center Approved Redevelopment Project Area.

This is a request to advertise Demolition and Site Clearance Contract No. 41 in the Yerba Buena Center to demolish one six-story vacant brick commercial building on Mission between Third and New Montgomery Streets.

MOTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that Demolition and Site Clearance Contract No. 41 in the Yerba Buena Center be advertised.

- (d) Resolution No. 44-76 authorizing payment of \$1,321.65 in settlement of claim of Ida (Moorehead) Bishop, Hunters Point Project Area.

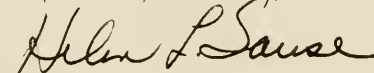
This is a request to authorize payment of a claim for personal property damage sustained by Mrs. Ida (Moorehead) Bishop for \$1,321.65 which occurred as a result of a gas explosion in her wartime housing apartment in Hunters Point. The original claim was for \$2,000. Mr. Evans indicated that the claim was a valid one. Mr. Solvin noted that as a matter of course claims were usually denied by many agencies; however, he believed it wise to settle when the amount was realistic, in order to avoid the time consumed in court suits and the possibility of excessive awards.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

ADJOURNMENT

* was moved by Mr. Solvin, seconded by Mr. Silva, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:55 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

76

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF MARCH 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 16th day of March 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Stanley E. Jensen, Vice Chairman
Joe Mosley
James A. Silva
Francis J. Solvin

and the following was absent:

None

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Esther Marks, League of Women Voters of San Francisco; D. W. Towner, Golden Gateway Center; Michael McGill, San Francisco Planning and Urban Renewal Association (SPUR); John Hummer, Grubb & Ellis Company; F. Ezazi, Bay Cities Paving and Grading, Inc; A. Aintablian, Pacific Home, Inc; Elouise Westbrook, B. Beasley, J. Wiseman, Marcellee Cashmere, Ethel Garlington, and Shirley Jones, Bayview-Hunters Point Coordinating Council.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Jensen, seconded by Mr. Solvin, and unanimously carried that the minutes of the Regular Meeting of March 9, 1976, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3751-M, Yerba Buena Center Approved Redevelopment Project Area D-1.

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3751-M, Yerba Buena Center Approved Redevelopment Project Area D-1. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (a) For the past seven years the Agency has been seeking a ruling from the Department of Housing and Urban Development (HUD) on the eligibility of using Federal money for payment for the undergirding of utilities in the Hunters Point and India Basin projects. On Friday, a letter was received from HUD indicating that it would recognize these costs as an eligible project cost. Prior to this time the HUD regional office had been issuing conditional waivers to permit the work to go forward while the matter was being considered, but there had always been the potential that the City would have to pay the \$1.8 million cost of the work.
- (b) Mr. Evans indicated that an article had appeared in the San Francisco Chronicle this morning relating to the Exhibit Hall in the Yerba Buena Center project. There have been rumors that a tilt-up concrete 300,000 square-foot structure would be proposed for Yerba Buena Center. He noted that the Members had evidenced concern about the box-like design. The article stated that a group had gone to Mayor George Moscone with this proposal, and Mr. Evans indicated that in his opinion it was an ill-founded idea which would not provide the high quality of development expected in the project and could cause considerable problems in terms of environmental issues. It was his hope that the promoters would take a more long-term view instead of putting up a quick, cheap structure. Mr. Evans noted the irony of the situation should those who caused delay of the construction of the project which had had the finest architectural design should now see the result of these delays manifest as a full-square block tilt-up building.
- (c) A bid opening was held today on Hunters Point project loan notes for \$2,990,000. Nine bidders responded and the successful bidders with 3.09 percent interest rate and a premium of \$171 were the Bank of America, Bankers Trust Company, Continental Illinois National Bank and Trust of Chicago, and Merrill Lynch, Pierce, Fenner & Smith, Inc. Interest rates ranged from 3.09 percent to 3.37 percent and the notes will replace those with interest of 3.10 percent.
- (d) Chairman Kaplan inquired about the status of the rehabilitation loan program, recalling that some time ago a representative from the Bank of Tokyo had offered to loan money to the Agency for rehabilitation. Mr. Evans indicated that there had been conditions precedent to use of the legislation, including: (1) a ruling by the Internal Revenue Service indicating that the income was tax exempt; such ruling was received last week and while it was based upon the FACE program, it also was applicable to the Agency's rehabilitation program; and (2) the drafting of legal documents by the Agency attorneys. These requirements are now completed and a public meeting will be held March 27, 1976 at 10 a.m. to explain the loan program to Western Addition A-2 property owners. A public hearing on the program will be held April 6, 1976. Mr. Evans indicated that another bank was considering lending money for the program but staff had wanted to complete the documents for the first loans. Loans with the next money will be more expeditious now that the process has been worked out.

UNFINISHED BUSINESS

- (a) Resolution No. 227-75 rescinding Resolution No. 262-72, adopted November 14, 1972, which approved a form of amendment to the land disposition agreement with the Golden Gateway Center, a limited partnership; and authorizing the Executive Director to execute a second amendment and necessary conveyance documents with said partnership, Embarcadero-Lower Market Approved Redevelopment Project Area E-1.

UNFINISHED BUSINESS (continued)

Mr. Evans noted that the Members had requested that certain specific language be drafted for the amendment to the Golden Gateway Center agreement. The matter of particular interest to the Members is Sidney Walton Square, which was originally sold to the Golden Gateway Center for \$612,000 for use as a park for the duration of the Redevelopment Plan expiring in 1992. An arrangement has been worked out with the Golden Gateway to offset the Center's accrued in-lieu taxes with a credit of \$218,000 for committing Sidney Walton Square to public park use. Golden Gateway Center would hold the land for perpetual use as a park and also provide for its maintenance. Various ways have been considered to accomplish this objective and the proposal today is that the Golden Gateway Center convey the block back to the Agency which would reconvey it to the Golden Gateway Center with a covenant running with the land that it must be used only as a landscaped park. In the event that the Golden Gateway Center does not use the land as a park for a period of ninety days, then the Agency may terminate ownership and recover title to the property. In this event, the Agency is obligated to keep the Square as a park as long as the developer provides the maintenance. That failing, then the Agency and its successors or assigns can recover title and use the land as it wishes. This agreement ensures use of the property as a park in the most enforceable manner, while obligating the developer to retain liability and maintenance responsibilities.

Mr. Jensen expressed appreciation that the matter had been set over until he was present. He questioned the Agency General Counsel in regard to assurances that the property would be used for a park for all time, and that there would be no possibility that it could be developed in any other way. Mr. Tilden Edwards, Agency General Counsel, responded that in his opinion there was no way to totally guarantee that the Square would be used as a park in perpetuity, but he noted that the covenant running with the land would create an obligation for the continued use as a park. If the developer fails and the Agency elects to recover the property, then the developer is still obligated to pay for maintenance. If that fails, then the Board of Supervisors would have to make a decision to continue the park use. In only that manner could the park use be terminated. Mr. Jensen inquired if it was the Board of Supervisors that had the final decision, noting that this was a fairly safe guarantee that the land would remain as a park because it would not be politically popular to develop park land. Mr. Jensen also expressed concern that there was any possibility the Square could ever be developed and inquired why the City did not take the park over at this time. Mr. Evans indicated that this arrangement obligated the developer to maintain the park.

Chairman Kaplan indicated that the City had not refused to take it over but that the agreement assured the area would be maintained. Mr. Silva noted the reduction in price to \$218,000 from the original \$612,000, indicating that the park was already paid for, because the \$218,000 is in-lieu taxes that the developer receives credit for against his taxes. Mr. Jensen voiced concern that the Board of Supervisors may vote against the area as a park.

Mr. Evans indicated that two issues involved (1) retention as a park, and (2) maintenance provided by the developer and were covered by the amendment to the agreement. He noted that one consideration to prevent any other use of the land would be to draft language which stated directly that the developer has use of the park and if it is not used it will be taken back by the Agency which will retain it as a park forever; however, the Board of Supervisors must approve this, since it could ultimately obligate the City to maintain the park. Mr. Jensen stressed that the agreement must provide assurance that the park

UNFINISHED BUSINESS (continued)

would remain in perpetuity and asked that the matter be held over to resolve that issue.

MOTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this item be held over for one week.

NEW BUSINESS

- (a) Resolution No. 47-76 authorizing transfer and conveyance of Parcel 3741-M, Yerba Buena Center Approved Redevelopment Project Area D-1.

This item was the subject of the public hearing just held and concerns transfer of the 2,000 square-foot Parcel 3751-M from the originally designated developer and owner participant, Johnson-Campbell Building, to Mr. Avedis A. Aintablian for \$6,500. The Johnson-Campbell Building was to be renovated under the owner participant provision, but the redeveloper was unable to proceed. Mr. Aintablian is purchasing and rehabilitating that building and has requested that this parcel be transferred to him for its originally intended use of off-street parking and loading for the retention structure. The price remains as originally set.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 32-76 approving form of first amendatory agreement between the Agency and Maisin Development Corporation, a California corporation, and authorizing execution thereof, Parcel 672-B, Western Addition Approved Redevelopment Project Area A-2.

This item was held over from the meeting of February 17, 1976 and concerns amendment proposals for two market-rate residential parcels to be developed by the Maisin Development Corporation in the Western Addition A-2. The changes are necessitated by (1) depressed economy, (2) costly "life and safety" requirements of the City, (3) height limitation which prohibits economically feasible construction. It is anticipated that construction of Parcel 672-B could begin in October 1976, if no delay occurs in the loan guarantee processing, and the amended schedule calls for evidence of financing by September 30, 1976, or upon issuance of an FHA firm commitment for mortgage financing. In reply to Mr. Silva's question, Mr. Evans indicated the developer proposes to build 70 units in a four-story wood-frame structure. Mr. Silva inquired what had originally been proposed, and Mr. Evans indicated that it was a twelve-story high-rise, but that there would be no change in the land price.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (c) Consideration of bids for Site Improvement Contract No. 9-M, Hunters Point Approved Redevelopment Project Area NDP A-5.

This is a consideration of award of Site Improvement Contract No. 9-M in Hunters Point for construction of a water system, water system regulation station, street construction, utility relocation and installations, and demolition of the existing steel water tank. There were five bidders and Bay Cities Paving and Grading, Inc. was the low bidder for \$271,831. There is concern in the Hunters

NEW BUSINESS (continued)

Point community, however, because this contractor was involved in three fatal accidents and since this contract would require work directly adjacent to housing, the community has requested that the contractor's bid be rejected.

In reply to Mr. Jensen's question, Mr. Evans indicated that rather than go to the next bidder, the contract should be rebid. Mr. Jensen asked if the Agency had the right to choose the next bidder, and Mr. Evans replied that this was open to question since even though the community strongly opposed award of the contract to Bay Cities Paving and Grading, Inc. there had been no assessment of fault for the accidents in court. He stressed that the community had been patient with the discomforts caused by the construction work and indicated that he would be hard pressed to recommend award of this contract when they felt so strongly against the contractor. The Agency's legal exposure would be lessened if the contract were rebid. Chairman Kaplan inquired what would occur if the same contractor was again low bidder, and Mr. Mosley inquired why the next lowest bidder could not be awarded the contract. He believed the Agency should be able to reject the contractor if he was unacceptable to the community.

Agency General Counsel Edwards indicated that the Agency has the power under the contract to provide for rejection of all bids and no reason is necessary. He read from the statute the section providing this right. He noted further that the courts have ruled where delays or other problems are anticipated that these are sound reasons for bid rejection. Mr. Edwards indicated that there was no way to preclude this firm from again being the low bidder but under certain circumstances the Agency had the option of taking the next lowest bidder. He pointed out, however, that in this event in anticipation of a lawsuit from the contractor that the Agency document the reasons for its action.

Mr. Jensen believed that the community's concern about the contractor's safety record would weaken any suits should the matter go to court. Mr. Silva indicated that the contractor had to work with the community and because of the community's objections, the Agency should either reject the bids or award to the next lowest bidder and he expressed doubt that the same contractor would bid again under the circumstances. Mr. Morris Phillips, Area Director for Hunters Point, indicated that Mr. Richard Bancroft, attorney for the community, had proposed going to the Contractor's License Bureau to seek removal of the contractor's license. Mr. Solvin asked Mr. Phillips about the previous performance of Bay Cities, and Mr. Phillips replied that they had worked on four contracts which were satisfactorily completed.

Mr. Fred Ezazi, contract coordinator for Bay Cities Paving and Grading, Inc., came forward and indicated that the firm had been working in Hunters Point since 1971 on five contracts involving over \$4 million and that the accidents were not the fault of the contractor. Mr. Solvin inquired what had happened, and Mr. Ezazi recounted the circumstances involving the fatalities of three children. Mr. Ezazi stressed that the firm had worked to upgrade the minority employment and had saved approximately \$100,000 for the Agency in low bids and wished to do the job.

Mrs. Elouise Westbrook of the Bayview-Hunters Point Coordinating Council came forward and indicated her concern about the legality of the contractor in returning to the area and stressed that it was not an issue of whether it had a minority crew or not. She indicated that the community did not want this

NEW BUSINESS (continued)

contractor in the area because of concern about safety problems. She indicated that because of the community's concern it would be difficult for the contractor to complete the work. She asked that the Members reject the Bay Cities bid.

Mr. Solvin asked the contractor's representative if he would be willing to refrain from rebidding, and Mr. Ezazi indicated that he could not make this decision without first discussing it with his office. Mr. Jensen indicated that it was within the province of the Agency to reject the bids. Mrs. Westbrook stressed that Bay Cities was not the only contractor available and urged the Members to recognize the community's concerns by rejecting the bid of Bay Cities. Mr. Evans indicated that Mr. Edwards had pointed out the possible risk if the low bid was rejected and the next lowest bidder was selected, because a lawsuit could be forthcoming; however, with adequate documentation the rejection could be made and the next lowest bidder considered. In response to the Members' questions, it was indicated that staff had not evaluated the qualifications of the second lowest bidder. Discussion followed on the alternatives of rejecting all bids or awarding the contract to the next lowest bidder. Staff was directed to investigate the documentation needed for the latter alternative and the qualifications of the contractor.

MOTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that consideration of Site Improvement Contract No. 9-M in Hunters Point be held over for one week.

(d) Resolution No. 48-76 ratification of travel.

This represents ratification of travel for Mr. Richard F. Marshall, Business Development Specialist, in connection with travel to Dallas, Texas on March 1, 1976 through March 3, 1976 to attend the American Right of Way Association International Education Committee. Because Mr. Marshall was a Committee participant, the Association paid his air fare and payment of only his per diem expense, not to exceed \$180, is requested.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Wilbur Hamilton, Deputy Executive Director, indicated that in connection with award of the janitorial work at the Hunters Point site office, the low bidder, Willie's Maintenance Company, had withdrawn his bid after contract award. The firm indicated that it could not perform the work at Hunters Point, and it is therefore recommended that the next acceptable low bidder, Albright Janitorial Service, be awarded the Hunters Point janitorial contract at \$565 per month, as opposed to \$425 bid by Willie's Maintenance Company. Mr. Evans noted that the next lowest bidder had been a nonminority firm and the next had declined the job, therefore the Albright firm was the lowest acceptable bidder.

MOTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that the janitorial contract for Hunters Point be awarded to the Albright Janitorial Service.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Helen L. Sause". The signature is written in dark ink and is positioned above the printed name and title.

Helen L. Sause
Assistant Agency Secretary

176

DOCUMENTS
PUBLICATION

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF MARCH 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 23rd day of March 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Stanley E. Jensen, Vice Chairman
Joe Mosley
James A. Silva

and the following was absent:

Francis J. Solvin

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Esther Marks, League of Women Voters of San Francisco; D. W. Towner and G. C. Keeler, Golden Gateway Center; and Charles Turner, Assemblyman Willie Brown's office.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that the minutes of the Regular Meeting of March 16, 1976, as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) Dedication of the Nihonmachi Pedestrian Mall will take place this Saturday, March 27, 1976, at 2 p.m. on Buchanan Street between Sutter and Post Streets. Two memorial fountains sculptured by Mrs. Ruth Asawa will be dedicated to the late M. Justin Herman at the request of the members of the Nihonmachi Corporation. The Mall represents the product of cooperative effort between the Agency, which paid for the improvements, and the Nihonmachi Corporation, which will maintain the area. Because this dedication is extremely meaningful to the Nihonmachi Corporation, which wished it to be a memorable occasion for posterity, the Agency's graphics department and print shop have produced a very attractive brochure commemorating the event.

NISHED BUSINESS

- (a) Resolution No. 227-75 rescinding Resolution No. 262-72, adopted November 14, 1972, which approved a form of amendment to land disposition agreement with the Golden Gateway Center, a limited partnership; and authorizing the Executive Director to execute a second amendment and necessary conveyance documents with said partnership, Embarcadero-Lower Market Approved Redevelopment Project Area E-1.

As requested by the Members at the last meeting, the staff has reviewed the proposed amendment to the disposition agreement between the Agency and the Golden Gateway Center to assure that Sydney Walton Square would remain as a landscaped park in perpetuity. The language is now modified to show that the Golden Gateway will hold title to the park as long as it is a landscaped park, but if the Golden Gateway fails to continue this use, the Agency or its successors or assigns may recover title and possession. Thereafter, the Agency must dedicate the property as a landscaped park. Mr. Jensen asked if there would be any change from park use, and Mr. Evans responded negatively.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (b) Consideration of bids for Site Improvement Contract No. 9-M, Hunters Point Approved Redevelopment Project Area NDP A-5.

This item was held over from the last meeting and concerns award of Site Improvement Contract No. 9-M in Hunters Point for construction of a water system, water system regulation station, street construction, utility relocation and installations, and demolition of an existing steel water tank. Since the community has expressed great concern about the low bidder, Bay Cities Paving and Grading, Inc. which has been involved in two fatal accidents, the Members requested staff to review the legal ramifications of rejecting the lower bid and the qualifications of the second lowest bidder, W. R. Thomason, Inc., who bid \$301,068.

Agency General Counsel Tilden H. Edwards believes that there is a possibility of a lawsuit should the Bay Cities bid be rejected and the second lowest bid be accepted, however it was his belief that there was sufficient documentation and a responsible body of law supporting this position that would enable him to defend any forthcoming litigation. The Agency has had no previous experience with the W. R. Thomason, Inc. firm but has contacted the Port of Oakland and the East Bay Municipal Water District for whom they had completed contracts, and both reported that the firm had done excellent work and was recommended highly. Agency staff met with the firm and reviewed its affirmative action and safety programs and found these to be acceptable. It is therefore recommended that award of the site improvement contract be given to W. R. Thomason, Inc. for the bid of \$301,068.

Chairman Kaplan inquired if there was a suit with a finding for Bay Cities and whether there would be any liability on the part of the Members, and Agency General Counsel Edwards responded that there was none personally. Chairman Kaplan then inquired who would pay should there be a judgment. Mr. Edwards indicated that it would have to be determined if the Department of Housing and Urban Development (HUD) would pay. Mr. Silva indicated that the alternative of rejecting all bids would lessen the possibility of incurring liability and allow time to ascertain HUD's position on payment of potential judgments; however, it was his opinion that there could be a long delay in attempting to

FINISHED BUSINESS (continued)

determine HUD's position on such a matter, and he believed it more expedient to reject all bids and rebid the contract. Mr. Edwards indicated that he believed that there was a certain degree of vulnerability whether the Agency rejected all bids and rebid the contract, or whether the award was made to the second lowest bidder. Mr. Mosley expressed concern about the possibility that Bay Cities would rebid and again be the low bidder. Mr. Edwards indicated there was some indication that Bay Cities would be more interested in a future contract which was on a site further from housing.

In reply to Chairman Kaplan's question, Mr. Evans indicated that there was a body of law which stated that in the public interest a contract could be rejected under certain circumstances, and in terms of potential liability HUD has paid for claims on similar lawsuits brought against the Agency. Mr. Jensen indicated that the Members should reject the bid of Bay Cities Paving in light of the community's concern. He recommended that the second lowest bidder be accepted. Mr. Evans indicated that this was also the staff's recommendation. Mr. Silva indicated that at the last meeting staff had recommended that all bids be rejected and now another contract was being spoken of in connection with the same bidder. Mr. Mosley inquired what would prevent the contractor from bidding on the large contract. Mr. Evans noted that after staff review it appeared that there was sufficient documentation to recommend rejection of the low bidder but it was anticipated that if the contract was rebid Bay Cities would not again bid but would wait and bid on the next site improvement contract. Mr. Silva indicated that the Members had asked Bay Cities to report if it would rebid should Site Improvement Contract 9-M be rebid but noted that the firm had not come back, and in that case may not bid the larger contract either. Mr. Evans noted that an indication had been made to Mr. Morris Phillips, Area Director of Hunters Point and India Basin, that the Bay Cities representatives appeared disinclined to bring legal action hoping that the community and the firm could discuss future work in the area. Mr. Evans noted that previously there had been few accidents and no fatalities in any of the Agency's projects. The people at Hunters Point had been reasonable and patient with all the dust and inconvenience that the earthwork and changing of streets had caused, and in their concerns about a contractor who had been involved in three fatalities; therefore, the staff could not recommend award of the contract. Mr. Evans stated that even though there was some legal risk in accepting the second lowest bidder, this was the action recommended by staff.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that Resolution No. 75-76 awarding Site Improvement Contract 9-M in Hunters Point Redevelopment Project NDP A-5 to the second lowest bidder, W. R. Thomason, Inc., be adopted.

BUSINESS

- (a) Resolution No. 49-76 authorizing execution of agreement for community development services with the City and County of San Francisco for the 1976 Community Development Program year.

This represents an agreement between the Agency and the City and County of San Francisco for transfer and expenditure of 1976 calendar year community development funds allocation of \$17 million to be distributed as follows: Western Addition A-2, \$4,080,000; Hunters Point, \$8,400,000; Golden Gateway, \$200,000; and India Basin, \$4,320,000.

BUSINESS (continued)

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 15-76 authorizing second amendment to joint exercise of powers agreement, dated April 21, 1971, with the City and County of San Francisco and the San Francisco Bay Area Rapid Transit District.

This would authorize execution of an amendment to the 1971 agreement for use of the \$799,000 tax allocation bond funds from the issue of \$13,150,000 for completion of the Bay Area Rapid Transit (BART) station at the Embarcadero and Davis Streets. These are the remaining funds from construction of the shell of the station. The original joint exercise of powers agreement with the City and BART provided that the remaining bond proceeds after the completion of the box or shell might be applied to the cost of finishing the station and this second amendment authorizes the deposit of \$799,000 for this purpose. The Board of Supervisors and the Mayor have approved the agreement.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 50-76 travel authorization.

Mr. Evans indicated that the Members had previously authorized a three-phase contract for management training for forty employees. This request is in connection with the second phase of that program which covers intensive review of the material covered to date and application of the techniques to the Agency's work program. It has been recommended that the staff work uninterrupted and isolated from duty assignments, therefore a facility was sought in which to accommodate the staff on the earliest dates the instructors have available on April 8, 9, and 10, 1976. The only suitable facility which has been found available is the Pajaro Dunes in Watsonville, and the cost for food, lodging and meeting rooms would be \$30 per person, not to exceed \$2,500. It is recommended that the money be taken from the accrued interest in the general account which is made up of neither Federal nor City funds. Staff has volunteered to donate its own time on Saturday. Chairman Kaplan suggested that a hall in San Francisco be used, and Mr. Evans indicated that because of the constraints of the instructors' availability, it had not been possible to find accommodations for forty people in the city. Mr. Silva noted that he was not adverse to the expenditure of \$2,500 but believed it would be better to spend the money and time in San Francisco and save the transportation to Watsonville. Mr. Evans indicated that staff would look into the matter and report to the Members. Mr. Silva suggested that the item be held over one week.

- (d) Resolution No. 51-76 travel authorization.

This is a request for travel for Agency General Counsel Tilden H. Edwards and Civil Engineer Thomas Dickerman to attend a Construction Claims Workshop to be held April 8 to 9, 1976 in San Diego at an approximate cost of \$396 each. The course would present both the engineering and legal concepts necessary to properly analyze construction claims and therefore be beneficial to the Agency in defense of its interest.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

es of a Regular Meeting, March 23, 1976

BUSINESS (continued)

(e) Resolution No. 52-76 travel authorization.

This is a request for travel for Messrs. Arthur F. Evans and Wilbur W. Hamilton, Deputy Executive Director, to attend the National Association of Housing and Redevelopment Officials (NAHRO) Pacific Southwest Conference in Honolulu, Hawaii from May 13 to 21, 1976 at an estimated total cost of \$1,680. Mr. Hamilton is the Vice President for Renewal for the Region on setting up the Committee for Conference, and Mr. Evans is the speaker on the program and a member of the Board of Governors.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 4:10 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

76
MINUTES OF AN ADJOURNED REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF APRIL 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in an adjourned regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 13th day of April 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Joe Mosley
James Silva

and the following were absent:

Stanley E. Jensen, Vice Chairman
Francis J. Solvin

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Essie Collins, Eileen Henriques, and Mary Rogers, Western Addition Project Area Committee (WAPAC); Morris Ellasn, Painters Union No. 4; Robert Bachelor, architect; Adrian E. Scharlach, Betty Kelich, Lowell H. Sucherman, Charles K. Johnson, Kenneth Horrall, Richard R. Volk, and T. Howard, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; June Muller, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of the Regular Meeting of March 23, 1976 and the Minutes of the Executive Meeting of March 23, 1976, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3751-F, Block 3751, Lots 107 through 111, Yerba Buena Center Approved Redevelopment Project Area D-1.

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3751-F, Block 3751, Lots 107 through 111, Yerba Buena Center Approved Redevelopment Project Area D-1. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

Chairman Kaplan indicated that Items 9(a) and 9(b) would be considered at this time.

NEW BUSINESS

- a) Resolution No. 54-76 authorizing the Executive Director to enter into an owner participation agreement with the American Telephone and Telegraph Company, a corporation in Yerba Buena Center Approved Redevelopment Project Area D-1, Assessor's Block 3751, Lots 105 and 112.
- b) Resolution No. 53-76 approving the disposition price and method of sale; authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments all in connection with the sale of Parcel 3751-F, Block 3751, Lots 107 through 111, Yerba Buena Center Approved Redevelopment Project Area D-1.

Chairman Kaplan indicated both these items would be considered together. The first item authorizes execution of an owner participation agreement with the American Telephone and Telegraph Company for Parcel 3751, Lots 105 and 112, at the southeast corner of Fourth and Folsom Streets consisting of 31,150 square feet in Yerba Buena Center. The second item concerns disposition of Parcel 3751-F, Block 3751, Lots 107 through 111, consisting of 9,650 square feet to the American Telephone and Telegraph Company for \$96,000 which together with the owner-participant parcel will be used for construction of a six-story precast concrete building of 168,000 gross square feet to provide offices for AT&T's western headquarters. Construction is scheduled to start between May 1 and June 1, 1976. The company has financing. In reply to Mr. Silva's inquiry, Mr. Evans indicated that the firm has selected Haas and Haynie as the general contractor and an affirmative action program has been submitted.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that these two resolutions be adopted.

SPECIAL APPEARANCES (continued) Public hearing to hear all persons interested in the matter of the establishment of the San Francisco Redevelopment Agency rehabilitation program for Western Addition Area A-2 Approved Redevelopment Project Area.

- (b) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the establishment of the San Francisco Redevelopment Agency rehabilitation program for Western Addition Area A-2 Approved Redevelopment Project Area.

Mrs. Mary Rogers, Chairperson of the Western Addition Project Area Committee (WAPAC) came forward to address the Members and spoke in favor of the rehabilitation loan program for Western Addition A-2. She requested that the Members also consider another plan which is being developed to allow those residents who did not now own property to purchase and rehabilitate homes in the area.

Mr. Robert Bachelor came forward and indicated that as an architect he favored the rehabilitation program. He indicated that the public meeting of March 27, 1976 had allowed the program to be thoroughly discussed and that most residents of the area were in favor of the proposal. He indicated his residency in the area and noted his desire to participate as an owner.

Mrs. Eileen Henriques came forward and indicated her support for the program.

Mr. Arnold Townsend of WAPAC came forward and reaffirmed WAPAC's support of the program but emphasized the need for a program which would assist people of low income, particularly holders of priority certificates to become property owners.

SPECIAL APPEARANCES (continued)

Mr. Adrian E. Scharlach came forward and indicated that he was a resident of Western Addition A-2 and believed that the program was a boon to the small property owners. He urged that there not be any delays because of escalating costs due to inflation.

Mr. Evans indicated that this program was primarily a rehabilitation aid for existing property owners, however an attempt was being made to develop a program to make home ownership available to people of low income who wished to own homes in Western Addition A-2. High costs for either construction or rehabilitation make this extremely difficult but the staff is working with WAPAC on the problem.

There being no further persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

NEW BUSINESS (continued)

Chairman Kaplan indicated that the following Items 9(c) through 9(i) would be considered together:

Mr. Evans noted that the public hearing was just held regarding implementation of the rehabilitation program in accordance with the Marks-Foran Act of 1973 which enabled a redevelopment agency to borrow money from private lending institutions and reloan the money at a below-market interest rate to property owners who wished to rehabilitate their property. The Bank of Tokyo, now the California First Bank, was approached to provide \$1 million to loan residents over a period of thirty years on a tax exempt note at the present passbook interest rate of 5 percent, which would be evaluated every five years and adjusted. The Agency would then loan to the residents at 5-3/4 percent for financing loans to allow the owners to rehabilitate their properties and if necessary to refinance outstanding indebtedness. The amount of the loan may not exceed \$30,000 per unit and cannot be more than 70 percent of the "after" value of the property. Other banks have indicated that they may lend money in this same way.

- (c) Resolution No. 56-76 adopting San Francisco Redevelopment Agency residential rehabilitation program for Western Addition Area A-2 Redevelopment Project.

Mr. Evans noted that this item proposes adoption of the residential rehabilitation program and designates the area of the program as the Western Addition Area A-2.

- (d) Resolution No. 57-76 adopting rules and regulations for the San Francisco Redevelopment Agency Western Addition Redevelopment Project Area A-2 residential rehabilitation program.

This resolution establishes the rules and regulations for administering the program.

- (e) Resolution No. 58-76 appointing a loan committee for Western Addition A-2 residential rehabilitation program.

This item provides for appointment of a loan committee consisting of five members to consider the loan applications of property owners. The California First Bank has appointed Mr. Kazuma Inoue to the Committee and the other four members to be appointed by the Agency Members are Mesdames Isabel J. Trelutte, Essie Collins, and Mary Rogers and Mr. James Stratten, who was a former Member from 1952 to 1956 and is a property owner in Western Addition A-2.

NEW BUSINESS (continued)

- (f) Resolution No. 59-76 ratifying and approving action of rehabilitation official implementing the requirements of citizen participation for the Western Addition Area A-2 residential rehabilitation program.

This resolution approves the actions of Mrs. Enid Sales, Chief of Rehabilitation, and Mr. Gene Suttle, Area Director for Western Addition A-2, in implementing the citizens participation provisions of the Marks-Foran Act and in this respect holding a public hearing on March 27, 1976 to present the program to residents of the area.

- (g) Resolution No. 60-76 authorizing the Executive Director and Deputy Executive Director to execute documents in connection with loans to property owners in the Western Addition Area A-2 pursuant to the residential rehabilitation program.

This resolution authorizes the Executive Director to execute documents in connection with the rehabilitation loan program.

- (h) Resolution No. 61-76 approving loan of \$1 million from California First Bank for implementation of the residential rehabilitation program for Western Addition Area A-2.

This item proposes approval of the \$1 million loan from California First Bank to the Agency which is to be loaned by the Agency to property owners in the area. Mr. Evans noted that it is projected that approximately \$25 million will eventually be needed.

- (i) Resolution No. 62-76 approving and authorizing the Executive Director to execute a personal services contract with Wilson, Jones, Morton and Lynch for legal services in connection with the residential rehabilitation program for the Western Addition A-2 project area.

This resolution would provide for the contract for legal services necessary to reaffirm the Agency's legal capability to undertake the obligation and to ascertain whether the interest on such obligation is tax exempt. The firm of Wilson, Jones, Morton and Lynch of San Mateo would render this opinion on the Agency's behalf for the sum of \$1,500. Mr. Silva inquired if this \$1,500 fee was for one time only, and Mr. Evans replied affirmatively. Mr. Evans noted that many persons had worked to bring this program into existence and he particularly noted the efforts of Mrs. Sales and Attorney Steven F. Nord.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that these resolutions be adopted.

- (j) Consideration of Insurance proposals for rehabilitation buildings, Western Addition Area A-2 Approved Redevelopment Project.

This concerns insurance coverage for buildings to be rehabilitated in Western Addition A-2. The lowest of two proposals received was from Dinner Levinson Company for \$2,021 to cover seventeen buildings at an estimated value of \$658,000, of which \$300,000 represents the A-2 site office. Chairman Kaplan inquired if this firm was the present broker and if the premium were the same. Mrs. Jane P. Hale, Controller, indicated that the broker was the same but it was difficult to provide a comparable premium since the values fluctuated because of changing values as the buildings were rehabilitated, and also because buildings were continually coming on and off the listing. Mrs. Rogers came forward and

NEW BUSINESS (continued)

inquired about the affirmative action procedure by which insurance firms were invited to bid, and Mrs. Hale indicated that a list of brokers who have shown interest in bidding received invitations to bid and any one who requested in writing to be placed on the list would be notified of solicitations. She noted that the list included three brokers from Western Addition A-2 and of these, Mr. Roosevelt Carrie had been awarded policies for the Agency; however, little interest was expressed by the other brokers from the area.

MOTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that the firm of Dinner Levinson Company be designated as the insurance broker for rehabilitation buildings in Western Addition Approved Redevelopment Project Area A-2.

- (k) Resolution No. 74-76 awarding Demolition and Site Clearance Contract No. 66, Western Addition Area A-2, to Myron Demolition.

This represents award of Demolition and Site Clearance Contract No. 66 to the lowest of six bidders, Myron Demolition, for \$12,227 to demolish four buildings, of which three are vacant and the fourth which is occupied by the Doggie Diner to be vacated within two weeks of notice. Mr. Silva inquired if the Doggie Diner was to be taken down before the Pacific Trade Center was ready to proceed on the site, and Mr. Evans replied negatively. Mr. Silva requested that the Doggie Diner remain and not be taken down until the whole site was ready for construction. Mr. Evans indicated that the intent was to leave it there, since it was providing service and would be the last to be demolished.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (l) Resolution No. 72-76 fixing time and place for and authorizing publication of notice of public hearing regarding proposed amendments to the Official Redevelopment Plan for the Western Addition Approved Redevelopment Project Area A-2.

This item is in regard to setting the date for a public hearing on proposed amendments to the Official Redevelopment Plan for the Western Addition A-2 to be held on May 4, 1976 and also the publishing of a notice of public hearing. Plan changes relate to change of land use designation for eight parcels.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (m) Resolution No. 55-76 authorizing the issuance of a work order for transmission to the Mayor's Office for work related to Yerba Buena Center.

This is in connection with a work order for \$5,000 requested by the Mayor to provide technical assistance to the Mayor's Advisory Committee on Yerba Buena Center for a period covering four to five months. Mr. Evans indicated that the Committee had met and appeared to be cooperative in spirit, and approval of this item is an indication of the Agency's willingness to work with the Committee.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (n) Resolution No. 63-76 awarding Demolition and Site Clearance Contract No. 41, Yerba Buena Center Approved Redevelopment Project Area D-1, Calif. R-59, to Abdo S. Allen, on the basis of the low bid received; and authorizing the Executive Director to execute same.

NEW BUSINESS (continued)

This concerns award of Demolition and Site Clearance Contract No. 41 in Yerba Buena Center to the lowest of seven bidders, Abdo S. Allen, for \$18,420 to demolish one vacant six-story brick commercial building on Mission between Second and Third Streets.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (o) Resolution No. 64-76 awarding Demolition and Site Clearance Contract No. 42, Yerba Buena Center Approved Redevelopment Project Area D-1, Calif. R-59, to Thomas D. Eychner Demolition Company, on the basis of the low bid received; and authorizing the Executive Director to execute same.

This concerns award of Demolition and Site Clearance Contract No. 42 in Yerba Buena Center to the lowest of eight bidders, Thomas D. Eychner Demolition Company, for \$10,640 to demolish the Golden State Meat Company located on the American Telephone and Telegraph Company parcel.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (p) Resolution No. 65-76 awarding Demolition and Site Clearance Contract No. 43, Yerba Buena Center Approved Redevelopment Project Area D-1, Calif. R-59, to Cleveland Wrecking Company on the basis of low bid received; and authorizing the Executive Director to execute same.

This concerns award of Demolition and Site Clearance Contract No. 43 in Yerba Buena Center to the lowest of six bidders, Cleveland Wrecking Company, for \$10,160 to demolish a wall adjacent to St. Patrick's Church. Mr. Silva noted that this item had previously been under demolition contract and inquired what the original contract bid was, and Mr. Evans referred the question to Mr. David Collins, Area Director for Yerba Buena Center, and to Mr. Redmond Kernan, Chief of the Engineering Division. After discussion it was indicated that there was no itemized price in the original contract since it was to be work done on a time and material basis, however it was estimated at approximately \$11,000.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (q) Resolution No. 67-76 approving and authorizing the Executive Director to execute an Interdepartmental work order with the San Francisco Department of Public Works for inspection services for the Hunters Point Redevelopment Project.

This is a work order with the Department of Public Works for engineering inspection services for site improvement work to be accepted by the City for one year not to exceed \$34,000. The City requires that its own inspection be the condition of ultimate acceptance of any improvements made.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (r) Resolution No. 68-76 approving Interdepartmental work order for building inspection services to undertake feasibility studies for a rehabilitation project in the Bayview-Hunters Point area.

NEW BUSINESS (continued)

This represents a work order not to exceed \$2,000 with the Department of Public Works for inspectors to work with the Office of Community Development, City Planning Department, and Agency to develop feasibility studies of ten typical homes in the Bayview-Hunters Point area as a prelude to a possible project. The money to study an area for renewal was specifically set aside by the Board of Supervisors in the community development program for this year.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (s) Resolution No. 69-76 award of Site Improvement Contract No. 11, India Basin Industrial Park, to D. C. Miley, Jr., Trucking.

This concerns award of Site Improvement Contract No. 11 in India Basin Industrial Park to the lowest of seven bidders, D. C. Miley, Jr., Trucking, for \$53,432 for work including sidewalk construction, tree planting, driveway construction, handicap ramps, bomanite paving, and installation of precast tree covers, in portions of Galvez Avenue, Newhall, and Mendell Streets.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- +) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 17, India Basin Industrial Park.

This is a request for approval to advertise Demolition and Site Clearance Contract No. 17 in India Basin to demolish a wooden shed and clear a corporation yard.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that Demolition and Site Clearance Contract No. 17 in India Basin Industrial Park be advertised.

- u) Resolution No. 70-76 rejecting payment of claim in the amount of \$1,153 for Eula P. Bradford, Hunters Point Project Area.

This is a recommendation to reject a claim of \$1,153 submitted by Eula P. Bradford for alleged water damage caused by a stopped-up toilet. Staff investigation indicated that water damage occurring as a result of stoppage was caused by the tenant and therefore not the Agency's responsibility.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (v) Resolution No. 71-76 awarding Demolition and Site Clearance Contract No. 15, India Basin Industrial Park Approved Redevelopment Project Area, R-III, to Rosas Construction Company, on the basis of the low bid received and authorizing the Executive Director to execute same.

This represents award of Demolition and Site Clearance Contract No. 15 in India Basin Industrial Park to the lowest of five bidders, Rosas Construction Company, for \$41,368 to clear three metal warehouses and slabs, remove a fence, import fill, do grading, and install erosion control.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (w) Consideration of ratification of selection of broker for project liability insurance in Western Addition Area A-2, Hunters Point, India Basin Industrial Park, Yerba Buena Center, and Stockton/Sacramento Approved Redevelopment Project Area.

This is a request to ratify assignment of public liability insurance to the firm of Johnson and Higgins for placement of such insurance with the Hallmark Insurance Company at a premium of approximately \$165,000. This represents a substantial increase in costs over the current coverage of \$45,000 per year and is primarily due to concern reflected by underwriters with liability attendant to governmental agencies.

MOTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that selection of the insurance firm of Johnson and Higgins be ratified as the broker for the Agency's project liability insurance for Western Addition Area A-2, Hunters Point, India Basin Industrial Park, Yerba Buena Center, and the Stockton/Sacramento Approved Redevelopment Project Areas.

- (x) Resolution No. 45-76 ratification of travel.

This concerns ratification of travel for Mr. Harold W. Bakken, Resident Engineer at Hunters Point, who attended the California Land Surveyors Association Convention in Los Angeles from April 1 through 3, 1976 at an approximate cost of \$177.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (y) Resolution No. 73-76 travel authorization.

This is an authorization for travel for the Executive Director to travel to Washington, D.C. to attend a meeting of the National Association of Housing and Redevelopment Officials (NAHRO) Board of Governors on April 22, 1976 and the NAHRO Development and Redevelopment Committee meeting on April 23, 1976, and also to meet with the Department of Housing and Urban Development (HUD) officials. In response to Mr. Silva's inquiry, Mr. Evans indicated his belief that the meetings were necessary since the business items to be discussed included those on proposed changes to the community development legislation and regulations and also Congressional appropriations and authorizations for 1976.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (z) Consideration of payment of annual dues to the National Association of Housing and Redevelopment Officials (NAHRO).

This authorizes payment of the Agency's annual dues of \$1,120, the assessment calculated on the basis of population size of the city in which an agency has jurisdiction. This is a twenty percent decrease from last year's dues of \$1,400. Mr. Evans stressed that NAHRO was the only organization to which the Agency belonged and that it had been an increasingly effective liaison with both HUD and Congress. He noted, as an example, the change in allocation of program grants which saved the Agency \$1.5 million over each of five years. Chairman Kapian commented that NAHRO seemed predominantly oriented to matters concerning

NEW BUSINESS (continued)

housing authorities, and Mr. Evans agreed that a large part of the membership was of housing authorities but added that the organization rotated presidents between housing and renewal representation. He noted that last year Mr. John Williams of Oakland's redevelopment program had served. Before that, Mr. Al Walsh of New York Housing Development Corporation had been considered for Secretary of HUD. One NAHRO member is the present Undersecretary of HUD, Mr. David Meeker, and it is he who settled the nine years' long eligibility dispute over utilities which saved the Agency approximately \$800,000. NAHRO has also had a role in obtaining credit for Hunters Point land. Mr. Evans stressed his belief NAHRO was a very useful organization.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that payment of the National Association of Housing and Redevelopment Officials (NAHRO) annual dues in an amount not to exceed \$1,120 be authorized.

MATTERS NOT APPEARING ON AGENDA

- (a) Consideration of authorization for transmittal of a letter from the Executive Director to Mayor George R. Moscone in support and cooperation for the Yerba Buena Center Mayor's Select Committee.

Mr. Evans noted that the Committee selected by the Mayor to evaluate Yerba Buena Center's Central Blocks has requested that the Agency refrain from entering into any new agreements in Yerba Buena Center during the four-months' review period. He indicated that the Committee appeared to be cooperative and was fully aware that the Agency was scheduled to proceed with the American Telephone and Telegraph building. The Committee was concerned about approval of further agreements. Mr. Evans recommended that the Members consider authorizing him to send the following letter which sets forth the Agency's support of the Committee:

"The Redevelopment Agency Members have authorized that I communicate the Agency's support and cooperation for your recently announced Yerba Buena Center Committee.

"In an effort to speed the Committee's work, Agency staff will be made available to lend whatever technical assistance may be required or desired. Further, in response to your specific request, the Agency will not make any new commitments for the disposition of land, beyond those previously announced, until August 1, 1976 (when the Committee is scheduled to complete its work).

"We very much appreciate your assistance in facilitating the development of Yerba Buena Center in a manner and to a standard befitting San Francisco."

Mr. Evans indicated that the letter specifically did not include the sports arena, apparel mart, office tower on Market Street, American Telephone and Telegraph Company's building, TODco housing which was set aside under the settlement agreement, or the Western Growth development which is under contract. Those are commitments previously announced and are outstanding. Mr. Evans recommended that it would be in the Agency's best interest to cooperate with the Committee and hold any further commitments until completion of its report on August 1, 1976.

MATTERS NOT APPEARING ON AGENDA (continued)

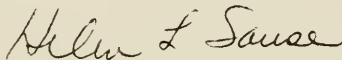
MOTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that the Executive Director be authorized to transmit a letter to Mayor George R. Moscone expressing support and cooperation for the Mayor's Select Committee on Yerba Buena Center.

- (b) Mrs. Mary Rogers came forward and expressed concern that the withdrawal of funds by HUD for 200 units of public housing in Western Addition A-2 represented an overall decrease of units for large families of low income. Mr. Evans indicated HUD had taken back the funding of 60 units on the 90 authorized and staff was attempting to discuss the matter with Mr. Eneas Kane, Executive Director of the San Francisco Housing Authority. Mrs. Rogers threatened to reopen the WACO suit to compel affirmative action on this item because she believed that the 236 housing rentals were more than many people could pay and also there was insufficient low-income housing units. She believed such housing was a priority and action was needed now for its provision. Mr. Evans replied that the Agency had attempted to cooperate with the Housing Authority to get the units built noting that the parcels had been kept off the market since 1969. He indicated that there were about ten to fifteen large families still to be relocated in Western Addition A-2.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:35 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

76

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF APRIL 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 20th day of April 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Joe Mosley
James Silva
Francis J. Solvin

and the following was absent:

Stanley E. Jensen, Vice Chairman

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Howard Imezake, Hokeibei Manechi; L. Norton, DeNarde Construction Company; Elouise Westbrook, Norland Jones, Ethel Garlington, and Julia Commer, Bayview-Hunters Point Joint Housing Committee; Earl Warren, Earl Warren and Associates; Chet Smith, Chet Smith Trucking; Martin Johnson, Minority Truckers; Roger L. Thomas, Thomas Trucking; Dwight Kinnard, P and K Trucking; Herman Horn, H & H Trucking; and representatives from the following security patrol services: Washington Patrol Service; Jalosky Security; Lawrence Security, Inc; Young Security Service; Duber Industrial Security; McCoy's Patrol Service, O & B Security Service, Pinkerton, Nor-Cal Security; Litton Securities Systems; Richardson Security; Alberts Patrol Service; K & B Guard Service; and Ellington Security.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of the Adjourned Regular Meeting of April 13, 1976, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 685-C, Western Addition Approved Redevelopment Project Area A-2.

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 685-C, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The Mayor's Select Committee for Yerba Buena Center will hold public hearings on the use of the public areas of the Central Blocks on April 24, 1976 at 2 p.m. and on April 28, 1976 at 7:30 p.m. at the Silvercrest Residence located at 133 Shipley Street near Fourth and Folsom Streets. The staff will make a presentation and conduct public tours of the project.
- (b) Mr. Evans regretfully announced the death of Mr. Howard Davis, a member of the Rehabilitation Division staff at Hunters Point, who had been with the Agency for five years. Mr. Evans noted that Mr. Davis was a typically dedicated Agency employee and had died following a meeting at Hunters Point in connection with a new rehabilitation project. A memorial service was held Monday and a number of residents from both within and outside the Hunters Point project who had benefited from Mrs. Davis's assistance were present. Mr. Evans stressed the contribution Mr. Davis had made to the program.

MOTION: It was moved by Mr. Solvin, seconded by Mr. Mosley, and unanimously carried that adjournment of the meeting be made in memory of Mr. Howard Davis.

NEW BUSINESS

- (a) Resolution No. 77-76 approving the disposition price and method of sale; ratifying publication of notice of public hearing and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 685-C, Western Addition Approved Redevelopment Project Area A-2.

This is in connection with the public hearing just held and concerns disposition of Parcel 685-C for \$37,500 to the Hobukei Mainichi, publishers of a Japanese language newspaper. The Agency originally acquired the parcel for clearance and disposition to the Hobukei Mainichi. The firm, however, wishes to retain and rehabilitate the improvements at an estimated cost of \$200,000. In accordance with the Department of Housing and Urban Development (HUD) regulations the property was first offered to the former owners, Queen Adah Grand Lodge, for repurchase, but no interest was expressed by it. It is now recommended that the property be sold to Hobukei Mainichi for rehabilitation.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 78-76 authorizing the Executive Director to enter into a contract for janitorial services at the Western Addition A-2 site office.

This is in connection with the award of a janitorial contract to W and F Building Maintenance for the Western Addition A-2 site office at \$728 per month, as compared to the present monthly contract of \$750. Selection was based upon the amount of bid, preference to area-based firms, and the contractor's experience. This firm is minority owned and was the second lowest area-based bid, the first such bidder not having had sufficient janitorial experience.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Solvin, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (c) Consideration of award of contract for security guard services, Hunters Point and India Basin Industrial Park Approved Redevelopment Project Areas.

This is in connection with award of the security guard services contract in Hunters Point and India Basin Industrial Park Redevelopment Projects. Mr. Evans indicated that K & B Guard Service was awarded a one-year contract last June 1, 1975 for \$330,291, with the requirement for a gradual scaling down in its work force from six foot-patrols 24 hours a day and one two-man mobile patrol 24 hours a day. The firm has reduced its force and the proposed contract is for the existing level of service of two foot patrols 24 hours a day and one two-man mobile patrol 24 hours a day. However, there were unanticipated delays in the reduction and costs were higher than anticipated and as a result the existing contract funds will be expended as of May 1, 1976. It is important that the service be continued because of security needs and hazards to safety of the community residents. In advertising for proposals, it was stated that selection of the contractor would be based upon the Agency's evaluation of considerations in addition to the bid amount, including general experience in the industry and with the community residents, affirmative action policies, and sufficiently high bid to cover costs of performing services.

Fourteen bids were received ranging from \$145,000 to \$271,000. Staff has prepared a detailed analysis of minimum costs for guard services based on its experience in administering such contracts over the past five years. This analysis was based on paying guards \$3.50 per hour, fringe benefits, equipment costs and totaled \$235,000 per year for a contract with no profit. However, the estimate included \$43,000 annually for a special supervisor which could be a principal in the firm. Also not included are costs for starting a guard service. After staff evaluation, four firms whose cost quotes were comparable to the analysis were selected for interviews. These were Pinkerton Security, Nor-Cal Security, Alberts Patrol Service, and K & B Guard Service. Firms located outside San Francisco were not interviewed.

Mr. Solvin noted that \$235,000 estimated would provide \$192,000 in salaries and expenses over and above the \$43,000 for the supervisor. Mr. Evans reaffirmed that and recommended that the Members not consider bids lower than \$199,000, which was Pinkerton's bid, because staff does not believe that a lower contract amount would adequately serve the projects. Mr. Evans indicated that Nor-Cal Security had bid \$211,272; Litton Securities Systems, \$216,387.84; Richardson Security, \$236,880; Alberts Patrol Service, \$243,878.40; and K & B Guard Service, \$271,642.53 as the high bidder. After analyzing the bids and interviewing the four San Francisco-based firms as the most likely to provide the desired level of service at Hunters Point, staff had recommended either Alberts or K & B. Although there was some question as to whether Alberts, which is currently working in Western Addition A-2, might be spread too thin to provide the additional service for Hunters Point, both are minority-owned firms. It is the recommendation of staff that the award go to K & B if it will accept the contract at the rate of \$244,000, or if not, then award to Alberts is recommended. Mr. Solvin inquired why staff had eliminated Pinkerton and Nor-Cal, and Mr. Evans indicated that Pinkerton was qualified but eliminated on the basis of not being minority owned, and Nor-Cal because its level of supervision appeared inadequate. Mr. Solvin inquired about Nor-Cal's experience, and Mr. Earl Mills, Deputy Area Director of Hunters Point and India Basin, indicated that the one large contract had been for provision of one-year's security for the Independent Journal in Marin County during its prolonged strike and all the other jobs had been small ones. Nor-Cal was also not recommended because it was not minority owned.



NEW BUSINESS (continued)

Discussion followed on the percentage of ownership which constituted minority ownership and Mr. Mills noted that the criteria used was over 50 percent ownership, whether by one minority person or a group.

Chairman Kaplan indicated that presentations from the representatives of the various security guard services would be heard.

Mr. James Washington of the Washington Patrol Service came forward and indicated that his firm was a minority-owned firm and that he was a former police officer and employed 61 people. His bid was \$124,766.40 and he inquired why his firm had not been considered since it had been in the Bay Area until last December 3, 1975 before moving to Southern California. He noted that currently it had a \$1 million contract with a government secret weapons center in San Diego and other smaller contracts.

Mr. Evans reiterated that in addition to bid amount, experience, qualifications, and an adequate bid to provide the desired level of service were all considerations in selecting a firm and that staff analysis demonstrated that the contract could not be done for less than \$225,000. Mr. Washington indicated that he paid his guards in accordance with the local wage area requirements, not an average of \$3.50 per hour, and that the invitation to bid was misleading if the Agency expected the guards to receive a higher hourly rate. Mr. Evans indicated that from staff analysis the contract should cost at least \$192,000 without profit. Mr. Washington indicated it was not to his advantage to take the job if his bid were too low, and Mr. Evans reaffirmed that the selection would not be done on the basis of low bid.

Mr. Greg Moore of Jalosky Security of San Rafael came forward and indicated that he disagreed with the staff analysis of the funds needed to perform the contract, since his firm had found that through the use of WIN or CETA funds personnel could be hired which would permit a rebate of 50 percent of their salary for the first six to twelve weeks depending on the length of the program. This made the proposal of his firm at \$159,432 feasible and he requested it be considered. In reply to Mr. Solvin's question, Mr. Moore indicated that his was an on-the-job training program in addition to classroom instruction. Mr. Moore indicated he would hire approximately twenty people from the Hunters Point area and pay them \$3 per hour and up, with supervisory personnel consisting of one captain, one lieutenant, three sergeants, and one senior patrol officer. Mr. Evans inquired if the firm presently had any WIN or CETA employees, and Mr. Moore replied negatively indicating that he was waiting for award of the bid before starting the hiring of people. He indicated that he was waiting for award of the bid before starting the hiring of people. He indicated that his firm had taken over the Independent Journal job from Nor-Cal. Mr. Evans noted that it took some time to obtain CETA money, but Mr. Moore indicated he had spoken with officials and was informed there would be no problem in supplying personnel. He stressed that it was because of these aids that his bid was lower.

Mr. Hayes of Lawrence Security, Inc. came forward and indicated that he was aware his bid was not the lowest but he wished to note that the specifications which invited bids were not complete. If it had been made clear that staff wanted to set \$3.50 per hour as the wage the specifications should have stated this. He indicated that his company had been in business since 1878 and was experienced and knew the costs as well as anyone. He indicated that the firm did not intend to take more than a modest profit. Mr. Solvin inquired the percentage of profit in the \$160,742 bid. Mr. Hayes indicated that it would be three to four percent, or \$4,000 to \$5,000 and that he had figured wage rates

NEW BUSINESS (continued)

at \$2.98 per hour gross, plus fringe benefits. The firm had a health plan, paid vacations, and life insurance.

A representative from Young Security Service came forward and indicated that its bid was based upon \$2.98 per hour for a total of \$186,412.80. The firm has been in San Francisco since 1921 and had experience with all kinds of jobs in industry. It had excellent supervision and qualified personnel of 250 persons. It was minority owned because a woman owned 75 percent of the stock. In reply to Mr. Solvin's question, the representative indicated that there would be four men working 24 hours a day seven days a week, and that this would involve a minimum of twenty people who would be hired from the area. The firm had 55 percent minority people on its staff and worked on a seven to eight percent profit.

Chairman Kaplan indicated that no representatives from Duber Industrial Security of Oakland or McCoy's Patrol Service of San Francisco were present.

The owner of O & B Security Service of Bayview-Hunters Point came forward and indicated that his firm consisted of 75 percent minority employees from the Bayview-Hunters Point area and he asked consideration of his bid of \$192,720 even though it was \$7,000 short of the cut-off level of \$199,000. Mr. Evans indicated that the figure was based on staff's experience with costs to do the work acceptably. Chairman Kaplan asked about the job experience of the firm and was informed that it had been with the Safeway stores and that twenty people were working from Hunters Point area.

Mr. Merv Jack Kaplan of Pinkerton of San Francisco came forward and indicated that his firm had been in business since 1896. He indicated that the specifications should have stated what the desired wages were to be and also which firms would be considered. The firm was presently servicing the Whitney Young Recreational Center at Hunters Point and had experience in the community. The guards are hired from the neighborhood in which the work is to be done whenever possible. He requested that the work be rebid with more explicit specifications.

Mr. Silva clarified the point raised by several firms about the specifications. He stressed that the wage of \$2.98 was itemized as a minimum which a firm could pay guards but it was free to pay whatever it thought the job could be done for. Also, there was a clear statement in the specifications that gave priority to firms with minority ownership.

Mr. Robert Borisoff of Nor-Cal Security of San Francisco came forward and indicated that he was the sole owner of the firm which was created eleven years ago. His bid was \$211,272 figured on one-hour supervision for each eight hours of work and guards were paid an hourly rate of \$2.99, plus 16 cents fringe benefit in compliance with the Federal wage and hour standards as revised in 1974. The firm has had wide experience in the area and employs 75 people.

Mr. Marcus Koster of Litton Securities Systems of Walnut Creek came forward and indicated that he had not been invited to the meeting of bidders although his firm had bid \$62,856.36 which was later modified to \$216,387.84. He explained the firm had been in San Francisco for the past three years and had a contract with the city at the San Francisco General Hospital and also with private construction firms.

Mr. Larry Christensen of Richardson Security of Oakland came forward and indicated that his firm's bid had been \$236,880 which was within \$2,000 of the

NEW BUSINESS (continued)

figure specified. He indicated that the firm was minority owned and recruited its personnel in the area where the services were to be provided. He indicated that working in the East Bay should not be a basis for disqualification and noted that the firm had been in the Bay Area since 1947 and that San Francisco firms frequently worked outside the city. In reply to Mr. Evans's question, Mr. Christensen indicated that the firm had experience in escort patrol, crowd control, and in working for AC Transit, various cooperative markets, and other businesses. He inquired what the bid per hour was which was submitted by Alberts and K & B and Mr. Mills replied that Alberts had figured \$3.15 per hour and K & B \$3.60.

Mr. Terrence Hallinan came forward to speak on behalf of Alberts Patrol Service of San Francisco. He indicated that Mr. Richard Kono, Deputy Area Director of Western Addition A-2, had recommended Alberts highly for the manner in which the firm had performed its duties and that now the firm wished to expand into the Hunters Point area and hire people from there. He stressed the training programs in which the firm's guards were encouraged to participate. Mr. Hallinan indicated that Alberts was the lowest bid of any of the residents of the San Francisco area. He indicated that the Hunters Point area deserved a high level of security services and stressed that Alberts bid provided a \$3.15 per hour starting wage for guards plus benefits. He indicated that both Henry and Albert Gage were present to respond to any questions.

Mr. Ken Wheeler of K & B Guard Service of Bayview-Hunters Point came forward and indicated that his firm had bid \$271,642.53. He stressed that even though the K & B bid was above that of Alberts, his firm would like to continue to provide guard services for the area. He endorsed the concept of a guard's salary at \$3.60 per hour and noted that the firm also contributed 25 percent toward the employees' health insurance plan.

Mrs. Elouise Westbrook of the Bayview-Hunters Point Joint Housing Committee came forward and indicated that the K & B Guards had done a good job in the area and people felt safer knowing they were on the job. She indicated that it was an opportunity for young people in the area to upgrade themselves, therefore she requested that the Members consider K & B rather than bringing in an outside contractor.

Mrs. Julia Commer came forward indicating that she was a resident of Hunters Point and the residents felt secure because there was always a guard on duty to look after them, particularly the handicapped and older women and children in the area. She indicated that Mr. Wheeler had worked closely with the schools in the area and had made financial contributions to whatever the community needed in connection with the schools. She requested that K & B receive the contract award.

Mrs. Ethel Garlington of Hunters Point came forward and stated that the K & B Guards had done a good job and were always on duty to protect children.

Mr. William Beasley of K & B came forward and stressed that his firm was the best to serve the Hunters Point area. However, he expressed concern about the wages to be paid under the contract. Mr. Solvin asked how much was now being paid, and Mr. Beasley replied that some men received \$3.15, some \$3.60, and others \$4.50 per hour. Mr. Solvin inquired, and Mr. Beasley reaffirmed, that the K & B proposal contemplated a guard salary of \$3.60. Mr. Beasley expressed

NEW BUSINESS (continued)

concern that if K & B was awarded the contract at a lower figure, the firm could not pay \$3.60 per hour. Discussion followed on the inadequacy of the wages paid guards. Mr. Wheeler indicated that some wage adjustment occurred because there were three alternating shifts and one shift received time and a half. The K & B proposal contemplated 16 guards being paid \$3.60 per hour. Chairman Kaplan inquired if K & B now paid a minimum wage of \$3.10 but for this contract would pay \$3.60. Mr. Wheeler reaffirmed this.

Mr. Evans indicated that the staff recommended K & B Guard Services at a contract total of \$243,000. If K & B could not accept this price the contract then would be awarded to Alberts Patrol Service as recommended by staff, since both were minority firms and both had performed well.

Both Messrs. Henry and Albert Gage came forward and questioned the pay scale of the K & B proposal and the number of young community persons benefiting from the contract. He indicated that the Alberts bid provided \$3.15 plus a fully paid life insurance and health plan for all employees. Chairman Kaplan indicated that the community indicated its preference for K & B on the basis of Mr. Evans's recommendation. Mr. Gage indicated that he could have brought people from the community to say the same things, and he believed it unfair to award a contract to K & B on his figures. Mr. Wheeler indicated he would like the award for the amount of its proposal but in response to Mr. Solvin's inquiry, he stated that K & B would be willing to undertake the contract at \$244,000.

Mr. Chet Smith of Chet Smith Trucking came forward and indicated that in his opinion the K & B Guard Service was the best that could be had and he used them for his work.

Mr. Silva indicated that he believed Mrs. Westbrook understood the needs of the area. He recommended that K & B be awarded the security guard contract.

Resolution No. 79-76 authorizing the Executive Director to enter into a contract with K & B Guard Services in connection with the Hunters Point and India Basin Approved Redevelopment Project.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 66-76 awarding Site Improvement Contract No. 14, Hunters Point Redevelopment Project Area to DeNarde Construction Company.

This concerns award of Site Improvement Contract No. 14 in Hunters Point to the lowest of six bidders, DeNarde Construction Company, for \$2,106,158 for work including grading, installation of drains and utilities, and construction of streets and retaining walls. This work will start Phase II on Housing Site A.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 80-76 approving an agreement with the Pacific Gas and Electric Company for the installation of gas and electric facilities in the Hunters Point Redevelopment Project.

NEW BUSINESS (continued)

This concerns an agreement with the Pacific Gas and Electric Company to install gas and underground the electric systems in connection with Hunters Point Phase II Housing Site A. Under Site Improvement Contract No. 14 the necessary trenching and backfilling of the utilities will be performed for the Agency. A refundable advance of \$16,520 for the gas work and \$23,736 for the electrical work at a total cost of \$40,256 is also to be provided by the Agency. Mr. Silva requested and the Members agreed that the item be held over for one week in order to obtain further information on the related costs in Site Improvement Contract No. 14.

Mr. Martin Johnson came forward as a representative of the minority truckers and objected to awards for site improvement contracts being made to contractors other than minority firms. He claimed that this represented a loss to the truckers and requested that awards be held up on all site improvement contracts.

- f) Resolution No. 76-76 amending Resolution No. 35-76, adopted February 17, 1976, to conform to contract.

This concerns a correction of the resolution awarding the central office janitorial contract to Albright Janitorial Service. Resolution No. 35-76 authorized a monthly cost of \$825 through inadvertence, instead of \$650 per month, which is the correct amount submitted by the bidder.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Earl Warren came forward indicating that he represented Earl Warren and Associates which had bid \$750 per month on the Western Addition A-2 site office janitorial contract. Since his bid was \$25 over the selected bidder, he wished to know if he had the same option as that of the security guard contractor to lower his bid. He indicated that his employees came from the Western Addition A-2 area. Mr. Evans noted that there was a difference in this award from the security guard matter because the services provided by Mr. Warren were unsatisfactory; therefore, award of the janitorial contract was recommended to another firm.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned in memory of Mr. Howard Davis. The meeting adjourned at 5:30 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

MAY 10 1976

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76
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF APRIL 1976

Members of the Redevelopment Agency of the City and County of San Francisco met regular meeting at 939 Ellis Street in the City of San Francisco, California 3:30 o'clock p.m. on the 27th day of April 1976, the place, hour, and date duly published for the holding of such meeting.

Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Stanley E. Jensen, Vice Chairman
Joe Mosley
James Silva

The following was absent:

Francis J. Solvin

Chairman declared a quorum present.

Mr. F. Evans, Executive Director, and staff members were also present.

Representing the press were Marshall Kilduff, San Francisco Chronicle; and Don Canter, San Francisco Examiner.

VAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of the Regular Meeting of April 20, 1976, as distributed by mail to the Members, be approved.

PUBLIC APPEARANCES

Public hearing to hear all persons interested in the review and evaluation of the progress of the Redevelopment Plan for the Golden Gateway Embarcadero-Lower Market Approved Redevelopment Project Area E-1, in accordance with Section 33348.5 of the Health and Safety Code.

- 1) Chairman Kaplan opened the public hearing to hear all persons interested in the review and evaluation of the progress of the Redevelopment Plan for the Golden Gateway Embarcadero-Lower Market Approved Redevelopment Project E-1, in accordance with Section 33348.5 of the Health and Safety Code. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

Public hearing to hear all persons interested in the review and evaluation of the progress of the Redevelopment Plan for the Diamond Heights Approved Redevelopment Project Area B-1, in accordance with Section 33348.5 of the Health and Safety Code.

- 2) Chairman Kaplan opened the public hearing to hear all persons interested in the review and evaluation of the progress of the Redevelopment Plan for the Diamond Heights Approved Redevelopment Project Area B-1, in accordance with Section 33348.5 of the Health and Safety Code. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

CIAL APPEARANCES (continued)

Public hearing to hear all persons interested in the Draft Environmental Impact Report for demolition of 238-248 Myrtle Street, a portion of Lot 11, Assessor's Block 714, Western Addition Approved Redevelopment Project Area A-2.

- a) Chairman Kaplan opened the public hearing to hear all persons interested in the Draft Environmental Impact Report for demolition of 238-248 Myrtle Street, a portion of Lot 11, Assessor's Block 714, Western Addition Approved Redevelopment Project Area A-2.

Mr. Mel Ury, Assistant to the Executive Director, came forward and indicated that notices regarding the public hearing were published on March 14, 1976 and posted at the 238-248 Myrtle Street building, in accordance with State regulations and the Agency policy. He indicated also that a draft of the Environmental Impact Report would be finalized and calendared for consideration at a subsequent Agency meeting. The final form of the report would incorporate comments received at or before today's public hearing. Mr. Ury read the following letter dated April 26, 1976 addressed to the Executive Director from Mr. William G. Kirkham, Management Systems Officer of the State of California Office of Planning and Research:

"Dear Mr. Evans:

"The above-listed environmental document was submitted by the State Clearinghouse to numerous State agencies for review. The review has been completed, and there were no comments on the environmental document.

"This letter verifies your compliance with environmental review requirements under the National Environmental Policy Act and/or the California Environmental Quality Act."

There being no further persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

PORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) In regard to his travel to Washington, D.C., Mr. Evans indicated that a written report would be forwarded to the Members.
- (b) Mr. Evans indicated that he had attended along with staff the first of the public hearing held on Yerba Buena Center on Saturday. He indicated that Mr. Lance Burris, Project Director for Yerba Buena Center Public Facilities, had made an excellent presentation on the project program. The next public hearing will be held Wednesday evening, April 28, 1976 at 7:30 p.m. at the Silvercrest Residence located at 133 Shipley Street near Fourth and Folsom Streets.

FINISHED BUSINESS

- (a) Resolution No. 80-76 approving an agreement with the Pacific Gas and Electric Company for the installation of gas and electric facilities in the Hunters Point Redevelopment Project.

FINISHED BUSINESS (continued)

This item was held over from the previous Agency meeting pending additional information and concerns an agreement with the Pacific Gas and Electric Company for installation of gas and undergrounding of the electrical systems in connection with Hunters Point Phase II Housing Site A. The related trenching and backfilling of the utilities is to be performed by the Agency under Site Improvement Contract No. 14 for a cost estimated at \$32,750. The agreement provided for the Agency to pay a refundable advance of \$16,520 for the gas work and \$23,736 for the electrical work, for a total of \$40,256. In response to Mr. Silva's question, it was noted that these funds will be fully reimbursed to the Agency if service connections are made within one year of the completion of the system; thereafter, the refunds decrease over a ten-year period. This is in accordance with the Public Utility Commission regulations.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

BUSINESS

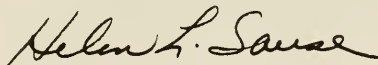
- (a) Consideration of extension of disposition agreement dates for the Pyramid Development Company, Inc., Parcels 726-A and 731-A, Western Addition Approved Redevelopment Project Area A-2.

Chairman Kaplan indicated that this item would be held over one week.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:40 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF MAY 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 4th day of May 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Stanley E. Jensen, Vice Chairman
Joe Mosley
James Silva
Francis J. Solvin

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MAY 4 1976

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and the following was absent:

None

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were H. Welton Flynn, Pyramid Development Company, Inc.; Arnold Townsend, Benny Stewart, Mary Rogers, J. Beachum, R. Gibson, C. Woods, C. Allen, and Wade Woods, Western Addition Project Area Committee (WAPAC); Katherine LaCrosse, Henrietta Underwood, and Pauletta Baugh, Innes Avenue Home Owners Association; Robert Witcher, J. H. Smith, M. Henderson, Irma Grabhorn, Beatrice Henderson, Dante Giosso, E. Brooks, Daniel Collins, Jennie L. Williams, Julius Mondaine, Alex Nikolas, Dr. F. B. Quinn, Leona Robertson, Ruby Alfred, and Allen F. Santos, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of the Regular Meeting of April 27, 1976, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the review and evaluation of the progress of the Redevelopment Plan for the Hunters Point Approved Redevelopment Project Area, in accordance with Section 33348.5 of the Health and Safety Code.

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the review and evaluation of the Redevelopment Plan for the Hunters Point Approved Redevelopment Project Area, in accordance with Section 33348.5 of the Health and Safety Code. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

Public hearing to hear all persons interested in the review and evaluation of the progress of the Redevelopment Plan for the India Basin Industrial Park Approved Redevelopment Project Area, in accordance with Section 33348.5 of the Health and Safety Code.

SPECIAL APPEARANCES (continued)

- (b) Chairman Kaplan opened the public hearing to hear all persons interested in the review and evaluation of the progress of the Redevelopment Plan for the India Basin Industrial Park Approved Redevelopment Project Area, in accordance with Section 33348.5 of the Health and Safety Code. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

Public hearing to hear all persons interested in the matter of the proposed amendments to the Redevelopment Plan for the Western Addition Approved Redevelopment Project Area A-2.

- (c) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed amendments to the Redevelopment Plan for the Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 678-C(1), Western Addition Approved Redevelopment Project Area A-2.

- (d) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 678-C(1), Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) To update the status report on the Yerba Buena Center sports arena, Mr. Evans indicated that last evening, Lyman Jee of Arcon/Pacific Ltd., proposed four variances to the San Francisco Board of Examiners, which is composed of architects and engineers who are empowered to grant certain types of variances under the building code. The variances are important to the arena and one was previously granted on the earlier design. The Board was favorably inclined but held the matter over and requested additional documentation. The Board, however, will not meet again for another month. This is a costly time delay in the arena's schedule.
- (b) For a number of years, there have been many bills in the State Legislature related to curtailing use of tax increment financing and urban renewal administration. This type of financing is most frequently used in Southern California. Apparently some cities have been using the tax increment financing improperly to develop shopping centers instead of projects which would provide job opportunities. Four bills have been introduced by Assemblyman Montoya which are very detrimental to the redevelopment process. A public hearing is being held in Sacramento tonight at which the staff is prepared to testify. The Members will be kept informed of developments.
- (c) The Mayor's Select Committee on Yerba Buena Center is continuing to hold public hearings. The next one will be this Saturday. The staff is providing assistance to the Committee. Six presentations are scheduled for Saturday.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (d) The excrow closed on Friday on the American Telephone and Telegraph Company's purchase of the private parcel in Yerba Buena Center which is the main portion of its site. A groundbreaking should be held soon. Demolition of an Agency-owned building remains to be completed and conveyance of the parcel is expected within the next two weeks.

NEW BUSINESS

- (a) Resolution No. 88-76 approving proposed amendments to the Redevelopment Plan for the Western Addition Approved Redevelopment Project Area A-2, and referring and recommending the same to the Board of Supervisors of the City and County of San Francisco.

This was the subject of the public hearing and is in connection with eight proposed amendments to the Official Redevelopment Plan for the Western Addition Approved Redevelopment Project Area A-2. Essentially, these amendments provide an alternative use to permit development of residential mixed with small commercial uses on seven parcels in the Fillmore area and one parcel on Divisadero Street. The present plan calls for medium density housing on these sites. The proposed amendments are in conformity with the City's Master Plan. A Board of Supervisors hearing is requested for June 7, 1976.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (b) Consideration of extension of disposition agreement dates for the Pyramid Development Company, Inc., Parcels 726-A and 731-A, Western Addition Approved Redevelopment Project Area A-2.

This requests authorization to extend the disposition agreement dates for Pyramid Development Company, Inc. (PDC) for 120 days to August 1, 1976 on the two-block area of the Fillmore Center. PDC had previously experienced delays caused by changed fire zone requirements and the potential construction ban by the Water Quality Control Board. These delays precluded submission of financing packages and applications to potential lenders. Pyramid has now submitted this material and has received indications that financing is available at satisfactory rates, however this does not constitute firm financing. One institution conditioned its interest in the two-block area on the requirement that PDC must have leasing commitments for one-third of the 165,000 square-foot development. Mr. Evans indicated that PDC had actively been seeking such leases. He recommended that the 120-day extension be granted to provide time for PDC to submit evidence of firm financing. Its letter of credit for \$29,970 will be renewed to this new expiration date.

MOTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that an extension on the disposition agreement dates for Pyramid Development Company, Inc., Parcels 726-A and 731-A, Western Addition Approved Redevelopment Project Area A-2, be granted for 120 days.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and indicated that it was WAPAC's understanding that PDC was to be given no further extensions of time and also that it had been instructed by the Members to work more closely with WAPAC. She indicated that there had been only two meetings, on January 27 and May 3, 1976, but only the latter meeting



NEW BUSINESS (continued)

had been fruitful. She did not consider communications improved between the two groups and asked why PDC needed more time, and also when such extensions would cease. Mr. Evans indicated that PDC had made the effort to communicate with WAPAC and that there was not much to report at this time. Mr. Evans indicated that PDC appeared to be doing all it could under the circumstances. Mrs. Rogers believed that WAPAC had little upon which to make a judgment due to lack of information from PDC, and that WAPAC should have been consulted before any extensions were recommended.

Mr. Jensen inquired if there had been interest expressed by any other developers, and Mr. Evans replied that because there had been no interest this was the rationale behind granting the extension of time.

Mrs. Rogers reiterated that PDC was not keeping WAPAC informed. Chairman Kaplan advised her nothing could be done until financing was available.

Mr. Arnold Townsend of WAPAC came forward and voiced the same objections as Mrs. Rogers about lack of communication. He indicated WAPAC's difficulty in explaining to the community what PDC was developing. Mr. Mosley inquired what WAPAC wanted PDC to do, since nothing could be done until PDC obtained financing. Mr. Townsend replied that the two should meet regularly. Discussion followed, including a request from Mr. Benny Stewart of WAPAC as to why WAPAC was not kept informed on PDC's delay of the project. Mr. Silva indicated that previously PDC had been slowed down because of fire zoning requirements and could not obtain leases until that matter was settled. Mr. Stewart indicated that WAPAC was to have responsibility for reviewing plans or any changes, and Chairman Kaplan responded that there was no change in the plans, only the issue of obtaining tenants. Mrs. Rogers indicated that the issue was not closed in the community.

- (c) Resolution No. 83-76 certifying completion of the Environmental Impact Report for the demolition of the Myrtle Street apartments, Western Addition Approved Redevelopment Project Area A-2.

This concerns certification of the completion of the final Environmental Impact Report on the Myrtle Street apartments containing a finding that the demolition will or will not have a significant effect on the environment. A public hearing was held last week. The one comment to be added to the draft presented at that time is a letter from the State Clearing House indicating that it had circulated the EIR and received no written responses. Mr. Evans indicated that there was also an additional sentence to be inserted in the copy of the EIR, as follows:

"However, the State Historic Preservation Commission voted in its March 4, 1976 meeting to recommend that the building be listed on the National Register."

Mr. Evans recommended that the Members certify the report.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.



NEW BUSINESS (continued)

- (d) Resolution No. 84-76 granting to J. H. Smith and exclusive right to negotiate for the purchase, subsequent to rehabilitation by the Agency, of 1955-59 Sutter Street, in the Western Addition Approved Redevelopment Project Area A-2.
- (e) Resolution No. 85-76 granting to Benny Williams an exclusive right to negotiate for the purchase, subsequent to rehabilitation by the Agency, of 1979-81 Sutter Street, in the Western Addition Approved Redevelopment Project Area A-2.
- (f) Resolution No. 86-76 granting to Jullus Mondaine an exclusive right to negotiate for the purchase, subsequent to rehabilitation by the Agency, of 1756-58 Fillmore Street (1958 Sutter), in the Western Addition Approved Redevelopment Project Area A-2.
- (g) Resolution No. 87-76 granting to Lavoila Baker an exclusive right to negotiate for the purchase, subsequent to rehabilitation by the Agency, of 781 and 795 Turk Street, in the Western Addition Approved Redevelopment Project Area A-2.

Chairman Kaplan indicated that these resolutions would be considered together. Mr. Evans indicated that at the Members' direction, the staff had developed one of the most innovative proposals for rehabilitation of eight buildings in the Sutter-Fillmore area. This will be a complex undertaking but will result preservation of these Victorian structures and provide commercial properties to be occupied by present and former businessmen in the area. There are presently five buildings on the site and three additional buildings will be moved into the area. The program was developed in cooperation with WAPAC. Under the proposed plan the Agency would enter into exclusive negotiating rights with individuals who had put up a \$2,500 good faith deposit on each building. Each depositor would consult with Agency architectural staff which would develop plans for the rehabilitation according to the depositor's requirements at no cost to the depositor. The Agency would enter into the disposition contract at a price to be fixed upon receipt of rehabilitation bids. Prior to commencement of rehabilitation work each depositor would increase his deposit to five percent of the total cost of the land, rehabilitation, and pro rata share of common parking lot improvements. The Agency would then rehabilitate the structures and convey them to the purchasers.

Mr. Mosley requested clarification as to whether the structures would be offered for bid for rehabilitation work or to secure purchasers. Mr. Evans replied that each individual would have a designated building and rehabilitation drawings would be suited to the requirements of his business. The buildings would be put out to bid for the rehabilitation work only. Mr. Mosley reaffirmed his desire that these structures benefit the people in the project area.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that these resolutions be adopted.

Mr. Silva commented that when this program was originally proposed staff had believed it was infeasible and that he was pleased a satisfactory proposal had been developed. Mr. Stewart of WAPAC stressed WAPAC's role in working with the project.

- (h) Resolution No. 81-76 approving the disposition price and method of sale and authorizing the execution of conveyance instruments; all in connection with the sale of Parcel 678-C(1) to the City and County of San Francisco, Western Addition Approved Redevelopment Project Area A-2.

W BUSINESS (continued)

This was the subject of the public hearing just held and concerns the sale of Parcel 678-C(1) to the City and County of San Francisco for \$4,320 for construction of the new underground power substation facilities to be developed by Hetch Hetchy Water and Power. Mr. Evans indicated that staff had worked for some time to have the facilities placed underground and the surface maintained as a landscaped open-space easement area. This will permit replacement of overhead wires and present substation at Fillmore and Turk Streets.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (i) Consideration of selection of proposals for surveying services consultant for Hunters Point Approved Redevelopment Project Area.

This concerns a personal services contract for surveying at Hunters Point to provide services in recreational and park areas and market-rate lots throughout the project. Six firms were interviewed and three recommended for consideration, including: (1) Allied Engineering Company, which has had experience on Moderate-Priced Private Housing Site 2; (2) AAA Engineering Company, with no Agency experience; and (3) Murray McCormick Environmental Group, with experience on Phases II and III. Mr. Evans indicated that all three were qualified to do the work, and indicated that after the Members designate a consultant the staff will negotiate a contract to be brought back to the Members for approval. He noted that all three firms had been invited today, however none were present. Mr. Silva suggested that the matter be held over until they were present. Mr. Jensen inquired whether any of these firms were based in San Francisco, and Mr. Redmond Kernan, Director of the Engineering Division, indicated that Allied Engineering Company was from San Jose, AAA Engineering Company was from Hayward, and Murray-McCormick Environmental Group was from Oakland. Mr. Jensen voiced concern that none of the firms was from San Francisco. Mr. Kernan indicated all three firms were qualified and like the San Francisco firms worked the whole Bay Area. Firms from San Francisco had been considered but three which appeared best suited for this work were from out of the city. In reply to Mr. Silva's question, Mr. Kernan reported that Allied and Murray-McCormick firms had worked in the Hunters Point area. Chairman Kaplan indicated that if representatives did not appear at the next meeting, other firms would be selected. The matter was held over until the next meeting.

- (j) Resolution No. 82-76 approving and authorizing execution of amendment to agreement for reuse appraisal of redevelopment sites, India Basin Industrial Park Approved Redevelopment Project Area.

This concerns \$6,000 amendment of the agreement for reuse appraisals with Real Estate Research Corporation. The original contract amount was \$12,000 and the report on the project was prepared in 1970.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (k) Consideration of procedure for inviting bids on demolition contracts.

This is a consideration of returning to the procedure of sending invitation to bid by regular mail because certified mail is difficult for small businessmen

BUSINESS (continued)

to obtain and approximately ten percent of the notices are returned unclaimed. Also, this is a costly process because postal rates are higher and more clerical time is necessary to prepare the certified mailings. Mr. Silva inquired about the number of complaints received, and Mr. Kernan indicated that there have been from ten to twenty over the last two years. Mr. Kernan indicated that at the same time the certified mail process was instituted, the mailing list had expanded and he believed that this was the major factor in reaching potential bidders. He also noted that the mailing is in addition to the advertising required by law. Mr. Silva indicated that there had originally been complaints because the mailings were not received and that the postal services were deteriorating daily, therefore he believed it was more of a risk not to use certified mailings. Mr. Kernan indicated that the smaller firms were affected because they had to go to the post office during working hours to get the notices. Mr. Evans also noted that regular mailings were more efficient. Mr. Silva stressed that it would be the responsibility of the contractors to pick up the certified mail and that the Agency had fulfilled its responsibility by sending the invitations in this way.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, that consideration of the procedure for inviting bids on demolition contracts be tabled.

- (1) Resolution No. 50-76 authorizing certain expenditure of accrued interest from the General Fund.

This relates to an item previously brought before the Members and concerns the cost of the seminar in connection with the Agency's Management Training Program. The expenditure is a total of \$1,390 from the accrued interest in the General Account. The proposed seminar will meet May 6 and 7, 1976 at the Clift Hotel for the second phase of the previously authorized three-phase program.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 4:35 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Assistant Agency Secretary

76
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF MAY 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 11th day of May 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Joe Mosley
James A. Silva

The following were absent:

Stanley E. Jensen, Vice Chairman
Francis J. Solvin

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Those present were Ken Iwagagi, Allied Engineering Company; Bob Silva, Murray-McCormick Environmental Group; Leroy Martin, AAA Engineering Company; Ike Arvie, Rosas Construction Company; Edward K. Allison, attorney, and W. R. Thomason, W. R. Thomason, Inc.; Paul Julian, Citizens Savings and Loan Association; Leonard Worthington, attorney, and Bill Sullivan, S. J. Amoroso Construction Company; Olin Webb, Double O-O Trucking; representatives from CANE, the Japanese Community Service, Asian Student Union, and Berkeley Students Union.

Representing the press were Jack Lynch, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that the minutes of the Regular Meeting of May 4, 1976 and the minutes of the Executive Meeting of May 4, 1976, as distributed by mail to the Members, be approved.

OFFICIAL APPEARANCES

Public hearing to hear all persons interested in the review and evaluation of the progress of the Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project Area D-1, in accordance with Section 33348.5 of the Health and Safety Code.

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the review and evaluation of the Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project Area D-1, in accordance with Section 33348.5 of the Health and Safety Code. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

SPECIAL APPEARANCES (continued)

Public hearing to hear all persons interested in the review and evaluation of the progress of the Redevelopment Plan for the Western Addition Approved Redevelopment Project Area A-2, in accordance with Section 33348.5 of the Health and Safety Code.

- (b) Chairman Kaplan opened the public hearing to hear all persons interested in the review and evaluation of the progress of the Redevelopment Plan for the Western Addition Approved Redevelopment Project Area A-2, in accordance with Section 33348.5 of the Health and Safety Code.

A representative of CANE came forward and indicated her opposition to the relocation of tenants from buildings in the Sutter-Laguna area. She indicated the CANE group had two demands: (1) that the Agency not force Japanese-American tenants out, and (2) that the sale of buildings near the Nihonmachi be stopped, and this included stopping demolition of 1622; 1714-16 Laguna, and 1772 Sutter. It was her opinion that the Japanese as a minority group had been treated unfairly and had been the victims of economic oppression by powerful corporations which like the Agency wanted to develop the Nihonmachi area as a tourist center and by so doing forced people out.

Chairman Kaplan indicated that the speakers on this issue would be limited to ten.

Mr. Marchi Dobashi of the Yamato Auto Repair came forward and indicated that many residents had been in the Japanese community a long time and were determined to remain in their homes and jobs.

Mr. Fred Powell came forward and indicated that he was a resident in the Nihonmachi community for over twenty-five years and that it was his belief people could not afford to remain with their families in the community because they can not afford the prices of market rate housing.

Mr. Karl Yoneda came forward and indicated he was a longshoreman and former resident of the Nihonmachi and that he deplored the tourist center, including hotels and bowling alleys, because they represented corporate interests that encroached upon the community.

Dr. Teru Togasaki came forward and indicated she had been in the community since 1912 and would like to see the community remain as it was. She indicated that this was a struggle against vested interests inimical to the Japanese people and she made a plea for the tenants to remain.

A representative of the Asian Student Union came forward and requested that the tenants be allowed to remain in the community. He indicated CANE was against massive evictions of the Japanese people and believed the Agency should serve the people rather than make a tourist showcase of the area.

A representative of the Japanese Community Service came forward and indicated his support of CANE, alleging the Agency evicted small businesses and deprived people of earning a decent livelihood.

Mr. Felix Schaffer of the Transaction Group came forward and alleged that the Agency was a capitalist corporation oppressing poor people.

Another representative of CANE came forward and asked that the Agency withdraw permits for demolition and repair the buildings so the tenants could remain.

ECIAL APPEARANCES (continued)

A representative of the Berkeley Asian Students Union came forward and indicated that the Japanese community was being desecrated in the interest of corporations.

A representative of CANE requested that Mr. Evans answer the two CANE demands. Mr. Evans indicated the speakers all referred to a struggle and in his view there was a national struggle on the problem of minorities and that this was an issue to which he could not directly respond. He indicated that dedicated Agency staff often found itself in situations in which the staff activity was used as a forum for matters that were broader than the issues at hand. He indicated that his sympathy was with the Japanese people but the issue of equality was beyond his domain. He indicated that he could address the issue of Nihonmachi development. Mr. Evans, by way of background, indicated that in 1964 the Agency entered into negotiations with the Nihonmachi Corporation, which is not moneyed and not large, consisting of the Japanese owners of small properties in the area. The Agency worked for over a decade with them to develop their plan for the four-block area. Mr. Evans again stressed that this was not a large corporation, since many of the businesses were the "mom and pop" variety. Most of these businesses are now better off than before their relocation and are prospering. Mr. Evans noted that the area mentioned by the speakers was outside the land under agreement with the Nihonmachi Corporation and concerned three commercial tenants. He stressed that the proposal to demolish 1714-16 Laguna St. has been withdrawn and the 1622 Laguna building never was proposed for demolition. The demolition of the building at 1772 Sutter Street was necessary for development of 29 units for elderly people of low income. Mr. Evans indicated that CANE appeared at a previous meeting in October 1974 and publicly demanded a meeting, and it again publicly demanded a meeting at the dedication of the Nihonmachi Mall. Each time the staff has told CANE it would meet with the group, but it has never called for such a meeting. Mr. Evans stressed that the Agency cannot subsidize rents but must rely on Federal subsidies; further, it has legal authority to carry out renovation only if it is economically feasible. Mr. Evans indicated CANE continued to block efforts to renovate the buildings by preventing potential buyers into the buildings. He recommended that instead of coming to a public hearing and talking about the matter, efforts should be made to meet with staff and consider plans for retention of these two buildings. With regard to the third building, CANE must decide if it sincerely wishes low-income housing because its demolition is necessary to the development of the 29 units for people of low-income.

A representative of CANE indicated that this was not responsive to the group's demands. Chairman Kaplan indicated that the Members had no item on their agenda for consideration concerning this matter and that the group had received the hearing they requested. He stressed that staff was available to meet with the group. Mr. Evans indicated that a meeting with the staff is often more productive, even though it does not get as much publicity.

There being no further persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

FINISHED BUSINESS

- (a) Consideration of selection of proposals for surveying services consultant for Hunters Point Approved Redevelopment Project Area.

This item was held over from the previous meeting because no representatives

FINISHED BUSINESS (continued)

were present from the three engineering surveying firms of Allied Engineering Company, AAA Engineering Company, and Murray-McCormick Environmental Group. All three firms are equally qualified and after the Members have selected one, the staff will negotiate a contract which will be brought back to the Members for consideration at a later date.

Mr. Ken Iwagagi of Allied Engineering came forward and indicated that since 1960 his firm had been based in San Jose, consisting of eight engineers and three field crews. The firm's experience makes it capable of performing the work called for in the contract.

Mr. Leroy Martin of AAA Engineering Company came forward and indicated that the firm was based in Hayward for twenty years and that it was a small firm with two engineers and that one partner who was a land surveyor would be in charge of the contract including field work. The firm had modern equipment and a computer which saved time and money.

Mr. Bob Silva of Murray-McCormick Environmental Group came forward and indicated that his firm had served the Agency since 1971 in the Hunters Point project and that it was thoroughly familiar with the project. The firm has done all the aerial mapping and provided all of the surveys for Phases II and III. It has the experience and people available to complete the work effectively and economically.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the firm of AAA Engineering Company be selected and staff directed to negotiate a contract with the firm for the surveying services consultant for Hunters Point Approved Redevelopment Project.

W BUSINESS

- (a) Resolution No. 89-76 approving the commitment of Citizens Savings and Loan Association to loan the Agency funds under the authorization of Senate Bill 99 for new residential construction.

This concerns execution of a loan agreement for \$10 million with Citizens Savings and Loan Association for making long-term loans for new construction authorized under Senate Bill 99 introduced by Senator Milton Marks. This legislation is similar to the Marks-Foran Rehabilitation Act and permits redevelopment agencies to sell bonds or notes for new construction. Mr. Evans indicated this item was one of the most important brought before the Agency since it enables the Agency to borrow money and relend it for new construction. Since enactment of the legislation, the Agency has been discussing the program with lending institutions and now has a proposal from the Citizens Savings and Loan Association for \$10 million. This represents a remarkable commitment to San Francisco.

Chairman Kaplan inquired if this was similar to the arrangement for rehabilitation loans with the Bank of Tokyo, and Mr. Evans responded that it was very similar and would have the effect of significantly lowering rentals.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

Mr. Paul Julian, Executive Assistant to the Chairman of the Board of Citizens Savings and Loan Association, came forward and indicated that basically Citizens realized that high mortgage rates put rents out of reach for many and that they intended to work with staff on this innovative funding mechanism. He stressed the hope that this would stimulate other lenders to participate, as well.

- (b) Consideration of award of Site Improvement Contract No. 15, Hunters Point Redevelopment Project Area, to S. J. Amoroso Construction Co., Inc.

Chairman Kaplan indicated that this item would be considered later on the agenda.

- (c) Resolution No. 91-76 awarding Site Improvement Contract No. 15, India Basin Industrial Park, to Rosas Construction Company.

This represents award of Site Improvement Contract No. 15 to the lowest of eight bidders, the Rosas Construction Company, for \$301,299 for site preparation work in India Basin consisting of excavation and segregation of soil, fill, compacting of surcharge area, and removal of slabs from the Kennedy Van and Stogage property.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 92-76 awarding Site Improvement Contract No. 12, India Basin Industrial Park, to Neil Shooter Company.

This concerns award of Site Improvement Contract No. 12 to the lowest of eleven bidders, the Neil Shooter Company, for \$149,585 to cover construction of sidewalks, planting of trees, the landscaping of Evans Avenue median, and a sprinkler system.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 93-76 awarding Demolition and Site Clearance Contract No. 16, India Basin Industrial Park, to Venturini Corporation.

This represents award of Demolition and Site Clearance Contract No. 16 to the lowest of five bidders, the Venturini Corporation, for \$53,376 to demolish the Pacific Rendering Company's buildings and to clear abandoned sewers and remove unsuitable material.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (b) Consideration of award of Site Improvement Contract No. 15, Hunters Point Redevelopment Project Area, to S. J. Amoroso Construction Co., Inc.

This concerns award of Site Improvement Contract No. 15. The S. J. Amoroso Construction Company submitted the lowest of five bids at \$2,198,232 for work in preparation of Housing Site B which includes installation of utilities and retaining walls.

NEW BUSINESS (continued)

Mr. Evans indicated that the Department of Housing and Urban Development (HUD) has committed the funding for this housing and it is important that this work be completed expeditiously. Staff, however, was concerned that the low bidder, S. J. Amoroso Construction Company, had not submitted an acknowledgment of Addendum No. 1 with its bidding documents. This addendum dealt with changes made in the plans with respect to reduction in the time of completion of the work from 235 to 159 working days. The Amoroso Company acknowledged receipt of the addendum verbally and then in writing after the bid opening. The attorney for the second bidder, W. R. Thomason, Inc., which bid approximately \$35,000 higher, had protested that this constituted a major omission and alleged that Amoroso's bid was therefore defective. Mr. Evans indicated that this was subject to dispute but that the Agency had the right to waive minor irregularities. He advised that there appeared to be three options open to the Members, as follows: (1) waive the irregularity on acknowledgment of the addendum and award the bid to S. J. Amoroso; (2) accept the contention of the second bidder that the low bid had a major defect and award the contract to W. R. Thomason, Inc.; and (3) reject all bids and rebid the work. Mr. Evans indicated that after evaluation of the material submitted, staff recommends that the most prudent course of action for the Agency would be to reject all bids and rebid the job. Mr. Evans indicated that there was very little law on this matter.

Mr. Silva requested Agency General Counsel Tilden H. Edwards to inform him why all bids should be rejected, and Chairman Kaplan inquired why the contract could not be awarded to the second bidder. Mr. Edwards responded that the reason for rejecting all bids was that if the contract were awarded to the second bidder this would constitute the finding that the low bidder had a material irregularity in his bid and that could make the Agency vulnerable to a lawsuit. If the contract were awarded to the low bidder on the grounds the omission was unimportant or not relative, the Agency could be vulnerable to a suit by the second bidder contending that the omission was a major one. Mr. Edwards indicated that bidding laws were strict and after bids have been opened an error which existed in the bid cannot be corrected unless it is formally waived. Nothing can be added by intent.

Chairman Kaplan inquired on what basis a suit could be brought by the low bidder in view of the fact he did not follow bidding specifications. Mr. Edwards indicated that he could argue that the omission was not relevant and that the addendum with the accelerated time schedule was not that germane; the firm could also refer to a general provision which was incorporated in the bond, and thus was part of the bid packet which provides that all bidders are bound by all addenda.

Mr. Silva inquired of Mr. Edwards his opinion on the correctness of the bid submissions. Mr. Edwards indicated that the low bid was submitted incorrectly because there was an omission of the document acknowledging the addendum which shortened the contract working time from 235 to 159 days. Mr. Silva indicated that the Agency's waiver of this omission was unfair to the firms which bid correctly and again asked of Mr. Edwards if the low bid was incorrect. Mr. Edwards answered affirmatively but noted that he had also said that there was in the printed document a statement to the effect that every bidder was bound by the addendum.

EW BUSINESS (continued)

Mr. Leonard Worthington, attorney representing the S. J. Amoroso Construction Company, came forward and indicated disagreement with the statement that the bid submitted by Amoroso was incorrect. He indicated that the alleged failure to acknowledge the addendum had been covered by the acknowledgment on the bid bond form which stated that "the undersigned having familiarized himself with the additions included in the addendum hereby acknowledges that the added work indicated in the addendum would be completed by the contractor".

Mr. Evans noted that the Amoroso firm did not submit the written acknowledgment and Mr. Worthington reiterated that a written acknowledgment was already part of the printed form that the bidder had read and signed. He noted that the omission in submitting a separate acknowledgment of the addendum was a clerical error and that it was submitted immediately upon discovery of the omission. Mr. Worthington believed the contractor was clearly bound to adhere to the provisions of the addendum and that the Agency had the authority to waive any technicalities in the bidding. He indicated that he had just received new legal references which substantiated the Amoroso case. Mr. Edwards indicated he had not evaluated this material. Mr. Worthington stressed that the issues were: (1) Amoroso could complete the job as specified; and (2) on the basis of a minor technicality, the Members should not expend \$35,000 extra in awarding the bid to the second bidder. He believed this to be a matter in which the public interest should be considered, and in addition the award to Amoroso could withstand a court test.

Mr. Edward K. Allison, representing the second lowest bidder, W. R. Thomason, Inc., came forward and indicated that his client had complied with the bid, however, contrary to Mr. Worthington's contention, the defect in the Amoroso bid was a major omission. He indicated that in court tests of similar cases the appellate court ruled that such omissions were not minor technicalities. He urged that the Members not waive the requirement and indicated that the bid bond form was simply a confirmation that the bidder had read the specifications and addendum and was willing to be bound by it. He stressed that shortening the time of performance was a material change and was not a minor technicality.

Chairman Kaplan inquired about the effect of new case law referred to by Mr. Worthington, and Mr. Allison noted he was unfamiliar with the case but his contention was in accordance with the Federal Procurement Policy and procedures established by the Attorney General. Mr. Worthington inquired if the Members had received his letter, and Mr. Evans answered affirmatively. Mr. Worthington indicated that there was no question the Members had the right to reject any and all bids but if the Members abused their discretion the courts could rule against them.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, that Site Improvement Contract No. 15 in the Hunters Point **Approved** Redevelopment Project Area be awarded to the second lowest bidder, W. R. Thomason, Inc.

Mr. Evans requested and received permission to comment prior to the vote. He indicated that staff believed that award of the contract could result in a lawsuit from either bidder and recommended that all bids be rejected. He stressed that Messrs. Edwards; Redmond Kernan, Director of the Engineering Division; and himself believed that all bids should be rejected.

minutes of a Regular Meeting, May 11, 1976

NEW BUSINESS (continued)

Resolution No. 90-76 awarding Site Improvement Contract No. 15, Hunters Point Redevelopment Project Area, to W. R. Thomason, Inc.

ADOPTION: It was unanimously carried that this resolution previously moved by Mr. Silva and seconded by Mr. Mosley be adopted.

ADJOURNMENT

It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:50 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Assistant Agency Secretary

JUN 16 1976

SAN FRANCISCO
PUBLIC LIBRARY

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF MAY 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 25th day of May 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Joe Mosley
James A. Silva

and the following were absent:

Stanley E. Jensen, Vice Chairman
Francis J. Solvin

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

APPROVAL OF MINUTES

It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that the minutes of the Regular Meeting of May 11, 1976, as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The ban on sewer connections imposed by the State Water Quality Control Board is a devastating blow to the Agency's development program. Although the ban was not unexpected, it was not thought it would interrupt the projects for which sewer permits had been obtained and for building permit applications which were in process. It appears there are several developments which will be affected by the ban unless it is modified. The Mayor is working to obtain a modification or remission of the ban. Mr. Evans commented on the fact that it was ironic that the efforts of one public agency could cancel out the efforts of another public agency. Aside from the losses of monetary benefit and jobs, inhibition to the land marketing program will also be a substantial detriment in attracting developers to design and prepare plans for development. The staff is preparing material for the Mayor's appearance before the State Board to urge remission of the ban. There is a clause in the ban providing for hardship relief not related to economics but to public loss. It is hoped this will cover the Agency's projects and exempt them from the ban. Mr. Evans indicated he would keep the Members informed.
- (b) Mr. Evans indicated that Mr. Mel Swig made a presentation to the 17-member Mayor's Select Committee on Yerba Buena Center in regard to the sports arena to request that the arena be exempted from consideration by that Committee.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

The Agency has always regarded the arena as exempt because it was a previous commitment and not subject to further review. However, since Mr. Swig needed the support of the Mayor and the City in obtaining his financing and the Mayor indicated he would not provide that support without the endorsement of the Committee, the matter was presented to them for consideration. Mr. Swig has taken the posture that the arena is now a dead issue in view of the fact that the Committee will not make any endorsement until August.

- (c) Mr. Evans reported that he and Messrs. Wilbur Hamilton, Deputy Executive Director, had attended the National Association of Housing and Redevelopment Officials (NAHRO) Conference in Hawaii last week. Mr. Morris E. Phillips, Area Director for Hunters Point and India Basin, also attended for the Hunters Point Housing Development Corporation. They made valuable contacts, particularly with representatives of other cities with whom the problems of new community development funding was discussed. Mr. Evans indicated that other cities were having more difficulty than San Francisco in this regard.

NEW BUSINESS

- (a) Resolution No. 94-76 approving and authorizing the Executive Director to execute Change Order No. 1 to Personal Services Contract HE-28, Hunters Point Redevelopment Project.

This is in connection with an amendment to the Jacobs and Associates contract for \$15,000 to evaluate a revision of a claim filed by the Elmer J. Freethy Company, whose original claim was for \$538,000 with a settlement offer of \$360,000. The Members acted on staff recommendation of claim rejection and contracted with Jacobs and Associates for an amount not to exceed \$25,000 to evaluate the claim. Freethy studied the Jacobs report and submitted a revised claim of \$404,462. The original Jacobs contract funds have been exhausted and since staff believes analysis of the revised claim is required, it is recommended that the Jacobs contract be amended for \$15,000 to cover the cost of (1) evaluating information contained in the revised data, (2) reevaluation of the effect on time and cost of the Freethy work, (3) attendance at meetings with staff and contractor's representatives, and (4) preparation of the supplement to the Jacobs revised report. The trial setting date is May 27, 1976 and the claim is expected to come to trial within the next two months.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 95-76 approving rules of the Western Addition A-2 bid depository.

This concerns a pilot project to involve minority subcontractors in Western Addition A-2 rehabilitation work. The program will require that a general contractor bidding on Agency work accept the lowest bid from a subcontractor submitted within forty-eight hours prior to the opening of the prime bid. Mr. Evans indicated that there have been allegations made by subcontractors that the general contractors for rehabilitation work have received bids from minority subcontractors and then "shopped" them, offering the work to their own preferred subcontractors if they would meet the minority subcontractor's lower bid prices; thus, the jobs were awarded to subcontractors outside the project area without affirmative action programs. This is an attempt to

NEW BUSINESS (continued)

eliminate and discourage this practice by requiring that the subcontractor present his bid forty-eight hours prior to bid opening and requiring the contractor to select and use those subcontractors submitting the lowest bid. Mr. Evans indicated that this has been a difficult area because much of the rehabilitation work is done with private funds and there is a limit of affirmative action that can be imposed. It is proposed that the bid depository program be on a trial basis on one to four rehabilitation jobs.

Mr. Silva reaffirmed his understanding that the subcontractors were going to bid the job and not bid to a general contractor, and the subcontractor would be selected on the basis of the low bid by the low bidding general contractor. He expressed concern whether forty-eight hours was sufficient time to allow the general contractor to formulate his bid after consideration of the bids by subcontractors inquired how the forty-eight hours was arrived at. Mr. Gene Suttle, Area Director for Western Addition A-2, responded that this exceeded the amount of time presently allowed. Mr. Evans indicated that the general contractors usually prepare their bids during the last few hours before they are due, and Mr. Steven Nord, Agency Attorney, confirmed that twenty-four hours was the normal time allowed in the bidding procedure. Mr. Silva indicated that he was in favor of minorities as subcontractors but expressed concern that they would not be bidding to the general contractor and would not have the opportunity to determine if both could work together. He believed some subcontractors may take a job just to get it and there could be problems because they may indicate later that they cannot work with the general contractor. He indicated that it could be more helpful to subcontractors to bid to the general contractor so that they would be prepared to enter the bidding process without depending on the Agency. He suggested the bid invitations require that subcontractors in the area be used with the proviso that the general contractor could not shop the bids, otherwise his bid would not be recognized.

Mr. Silva noted his concern that the Agency overstep its authority by compelling the general contractor to accept the low bidding subcontractor. Mr. Hamilton indicated that allowing general contractors to choose the subcontractors allowed only the favored subcontractors to get work. Mr. Silva was concerned that the Agency would be interfering with free enterprise. Mr. Hamilton stressed that the conventional bidding process permitted the general contractors to shop the subcontractor he wanted, notwithstanding bids submitted and this precluded others from participating in the work.

Mr. Silva inquired what regulations allowed the Agency to propose this type of restrictive subcontractor selection. Mr. Hamilton responded that the law permitted this procedure and it was recommended based on staff experience of seeing only certain subcontractors participating in the work. He noted that the minority subcontractors have complained that they were excluded. Mr. Silva indicated that the only complaint he had heard concerned circumvention of the bidding process subcontractors. Messrs. Evans and Suttle indicated that the complaints had been primarily directed to the Western Addition A-2 and noted that this proposal related only to rehabilitation. Mr. Silva inquired how many complaints had been lodged, and Mr. Suttle replied that there had been quite a number but they were not brought before the Members because they were generally from subcontractors dealing with individual property owners who provided their own financing. Mr. Evans noted that because general contractors apparently were shopping their subcontractors, the minority subcontractors alleged there were sweetheart deals. Mr. Evans indicated that this was a test program which

W BUSINESS (continued)

could ultimately affect rehabilitation performed for private property owners, as well. Mr. Silva inquired how much rehabilitation work was done in two years, and Mr. Suttle responded that approximately \$3 million had been done in Western Addition A-2. Mr. Silva inquired how many general contractors were involved in this work, and Mr. Suttle replied about four or five different ones but stressed that these were figures for the project and not work done in-house.

Mr. Suttle noted that there was approximately \$800,000 in Agency rehabilitation work, including the site office. Three general contractors who were not from within the project area had done the work. Mr. Silva asked if the work being considered for the test of the program was in-house, and Mr. Suttle answered affirmatively, indicating a building on Scott Street would provide a trial of the system. The bids had once been put out, but all were too high. Mr. Evans indicated that the general contractors had expressed doubt whether the program would work but recommended that this proposal be tested on 1213-15 Scott Street.

Mr. Silva suggested the staff use the trial program on this one building, and Mr. Suttle noted that staff had suggested the trial on one to four buildings and then evaluate the results. There is potentiall a problem in this resulting in higher reshabetitation costs which could increase the cost to the purchasers of the property. The Western Addition Project Area Committee (WAPAC) and others have worked hard on the program and will continue their efforts to avoid this. Mr. Silva stressed that after the one building trial a report would be made to the Members.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the rules of the Western Addition A-2 bid depository be adopted subject to the condition that only the one building located at 1213-15 Scott Street be used in the pilot program and after that a review is to be made to ascertain if the program is feasible.

- (c) Resolution No. 96-76 approving supplemental work order for residential environment inspections for the period July 1, 1975 to June 30, 1976, all projects.

This represents a supplemental work order with the Bureau of Building Inspection for \$12,500 for an additional half-time inspector over and above the \$25,000 authorized on July 1, 1975 for a full-time residential environmental inspector. Accelerated residential rehousing and emergency rehousing have necessitated the increase.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 43-76 travel authorization.
- (e) Resolution No. 97-76 ratification of travel authorization.
- (f) Resolution No. 98-76 ratification of travel authorization.

Chairman Kaplan indicated that these three resolutions would be considered together. Mr. Evans indicated that the first item concerned the travel of Mr. Quintin McMahon, Director of Real Estate/Marketing and Business Development, to attend the American Right of Way Association's Educational Seminar in

W BUSINESS (continued)

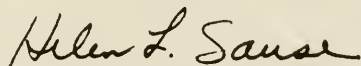
Milwaukee, Wisconsin from June 20 through 25, 1976. Mr. Evans indicated that Mr. McMahon is the Western Region Vice President of the Association. The Conference will be of value in marketing land under consideration of a comprehensive land use program by the Federal Government, as well as future real estate trends, and the effect of energy constraints on future development. The second item deals with travel for Mrs. Lee Cayton, Housing Management Supervisor, who attended a meeting of the Institute of Real Estate Management in Los Angeles on May 19 to 22, 1976. The last item is for the travel of Mr. Richard F. Marshall, Business Development Specialist, who is attending the 51st Annual Conference of the American Industrial Development Council held May 25 to 27, 1976 in Anaheim, California. Mr. Evans indicated that the conference concerned issues related to marketing and business development in urban industrial developments and would be of value in marketing land in India Basin Industrial Park.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that these resolutions be adopted.

JOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:15 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

76
F
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF JUNE 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 1st day of June 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Joe Mosley
James A. Silva
Francis J. Solvin

DOCUMENTS

and the following was absent:

JUN 16 1976

Stanley E. Jensen, Vice Chairman

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The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

APPROVAL OF MINUTES

It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that the minutes of the Regular Meeting of May 25, 1976, as distributed by mail to the Members, be approved.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Ivan Sharpe, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

Also present were Joseph Yarnell and Paul Tanner, Yarnell and Associates; Alvin Christens, Murray-McCormick; Ken Iwagagi, Allied Engineering; Elouise Westbrook, Bayview-Hunters Point Coordinating Council; Charles Stuhr, F. C. Mangrobay, Jovita Buted, Archie Delano, Delano, and Gabriella Tambio, Pacific Trade Center; William J. Murphy and Dr. Steve Adang, Philippine-American International Corporation; and James Davis and Timothy Easbey, interested citizens.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The State Bar Association building is now under construction and an official groundbreaking ceremony will probably be held in August when its monthly Board of Directors meets in San Francisco.
- (b) It is unknown how long the ban on sewer connections imposed by the State Water Quality Control Board will last but it is delaying construction of developments such as the American Telephone and Telegraph Company's building in Yerba Buena Center. The Mayor has appeared before the Board requesting a rehearing on the State Board's decision.

NEW BUSINESS

- (a) Consideration of the extension of developer rights for the Pacific Trade Center, Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

This is a consideration of a 60-day time extension until August 1, 1976 for the Pacific Trade Center (PTC) to permit additional time to arrange mortgage financing. The PTC had previously requested 180 days and was granted 120 days by the Members. Since that time PTC has been diligently attempting to find an alternate source of financing and to secure tenants to satisfy potential lenders. Mr. Evans indicated that he had spoken with Mr. William Haas and was told that a prospective lender had been secured but that concerns about overbuilding of office space in San Francisco had to be satisfied. The firm of Coldwell Banker has now been engaged as the leasing agent and it has submitted material to the potential lender indicating that there is a market. It is recommended that 60 days be granted to complete negotiations with the lending firm.

Mr. Charles Stuhr, representing the PTC, came forward and indicated that he had also spoken with Mr. Haas and was in active negotiation with the lender in New York. He indicated that there were indications that funds would be made available and he stressed that the Filipino community was eager to go forward with the project.

Mr. Silva inquired about the apparent change in funding source, indicating the last information the Members had was a lender in England was providing the money, and if this were infeasible then the project was dead. Mr. Stuhr indicated that the English funding was available but was too costly. Subsequently, through contacts of Mr. Haas a prospective Texas funding source had been found which would provide financing at a more reasonable rate. Mr. Silva inquired if Mr. Stuhr could assure the Members that if the new funding was unavailable then the English funding was. He indicated that when the last extension was given it was on the basis that if the English funding was not available PTC could not proceed, but now Mr. Stuhr was saying that it was available but PTC wanted to try for something else. He inquired if the funding were available why did the developer not accept it. Mr. Stuhr indicated that the English funding was available but the cost was extremely high. Mr. Silva expressed concern about the land being tied up for two more months when development could have been started. Mr. Stuhr indicated that according to his understanding the last extension requested was for six months but the Members granted only four months and the present request for those remaining two months would make the development feasible by allowing time to obtain more favorable funding.

Mr. Stuhr indicated that during this time PTC had been joined by other members of the Filipino community, which strengthened the project. He introduced Mr. William J. Murphy who represented the Philippine-American International Corporation. In response to Mr. Silva's inquiry, Mr. Stuhr indicated that the English funding would be 15 percent plus four points brokerage fees and 2-1/2 percent on standby fee for the take-out loan. The rate of 2-1/2 percent is the fee for \$35 million in construction loans plus interest at the rate of 15 percent per year, with four to five points for the brokerage fee. Mr. Solvin inquired as to what the interest rate for the other funding source was and Mr. Stuhr replied it was 12 percent and only two points on the brokerage fee. In response to Mr. Solvin's question, Mr. Stuhr indicated the three different groups that would provide the funds and that the arrangements would be completed within the 60-day extension.

NEW BUSINESS (continued)

Mr. Silva asked Mr. Evans if he had received confirmation on the English funding, and Mr. Evans replied that his last conversation was prior to the last Agency meeting wherein the English firm was going to make the offer but apparently it had offered higher terms than anticipated, including a request for an equity position.

Mr. William J. Murphy came forward to indicate that the previous appearance of internal turmoil which made it seem that the Filipino community was split on the project had been resolved and that he had been retained by Dr. Steven Sadang to get the groups working together again. He urged that the Members grant the 60-day extension and with the combined effort of the Filipino community he believed financing could be obtained.

Mr. Solvin Inquired if there were other developers interested in the land, and Mr. Evans replied negatively. Mr. Solvin expressed his hope that the Filipino community could work in harmony and exert every effort to obtain the financing. Mr. Silva indicated his favorable consideration of the extension provided that progress reports be made to the Members at appropriate intervals indicating the status of the efforts to secure financing. He indicated it should be noted in the record that if financing is not forthcoming within 60 days on this prime land exceeding one-square block, staff would be instructed to place it on the open market.

Resolution No. 104-76 amending the disposition agreement between the Redevelopment Agency of the City and County of San Francisco and the redeveloper, Pacific Trade Center-W. C. Haas Construction, a joint venture, Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (b) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 67, Western Addition Approved Redevelopment Project Area A-2.

This concerns advertisement of Demolition and Site Clearance Contract No. 67 in Western Addition A-2 of the building known as the Fillmore Arcade, located at the northwest corner of Fillmore and Post Streets. Jones Memorial Homes which sponsored an adjacent senior citizen housing development had originally intended to rehabilitate this building as part of the development, but after it was found to be structurally unsound the Agency repurchased it. Mr. Evans indicated that more handwork would be required than usual to prevent damage to the adjacent building.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that Demolition and Site Clearance Contract No. 67 be advertised.

- (c) Resolution No. 100-76 fixing time and place for and authorizing publication of notice of public hearing regarding proposed amendment to the Official Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project.

Mr. Evans indicated that this item authorizes setting the date for a public hearing on Yerba Buena Center on June 29, 1976 to consider proposed amendments to the Official Redevelopment Plan to permit development of up to fifty units of housing for adults in the Central Blocks, in addition to the commercial development included in the present approved plan. The design is underway for the condominiums which would be constructed as part of the apparel mart development.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 103-76 approving an agreement with the Pacific Telephone Company for temporary relocation of telephone facilities within the Hunters Point Approved Redevelopment Project Area.

This represents execution of an agreement with the Pacific Telephone Company to provide temporary relocation of existing telephone facilities in the Hunters Point area in order to serve the project and adjacent residents while work proceeds on Phase III, at a cost not to exceed \$10,000. All costs for final removal of overhead lines and construction of new underground interim relocation systems will be borne by the telephone company.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 102-76 approving Change Order No. 1 to the agreement dated May 17, 1972 with PG&E, Hunters Point NDP A-5.

This concerns execution of Change Order No. 1 to the agreement with PG&E to relocate its underground transmission line in the Hunters Point area at a cost of \$43,168.59 to be reimbursed to PG&E for escalation in costs incurred due to the housing moratorium. The original agreement of \$185,000 was dated May 18, 1972 and work was delayed from January 1973 to October 1975.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (f) Reconsideration of selection of proposals for surveying services consultant for Hunters Point Approved Redevelopment Project Area.

This is a reconsideration of the designation of an engineering firm for surveying services in the Hunters Point project. The firm of AAA Engineering had been selected May 11, 1976 but requested that it be released from the contract because it would not provide the \$250,000 errors and omission insurance required by the Agency in its standard contracts. As a result, the remaining firms of Allied Engineering Company, the Murray McCormick Environmental Group, and an added fourth firm, Yarnell and Associates, are now under consideration for the contract. Mr. Evans indicated that a representative from Yarnell and Associates was present. Mr. Silva requested that in the future staff is to determine whether all the firms recommended are fully qualified.

Mr. Joseph Yarnell came forward and indicated that his firm was a small one consisting of five individuals in the office, one land surveyor, and two regular engineers, and that the firm had done work for the Agency in India Basin in completing design work and surveying work.

Mr. Evans indicated that all three firms were qualified.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the firm of Yarnell and Associates be designated as the surveying services consultant for the Hunters Point Approved Redevelopment Project Area.

NEW BUSINESS (continued)

- (g) Resolution No. 101-76 approving an agreement with the Pacific Gas and Electric Company for the installation of gas and electric facilities in the Hunters Point Redevelopment Project.

This concerns execution of two Pacific Gas and Electric Company agreements for undergrounding electric and gas transmission and distribution facilities to be constructed in connection with Site Improvement Contract No. 15 in Hunters Point. The agreements require the Agency to make refundable advance payments to PG&E totaling \$50,803 in accordance with the rules of the California Public Utility Commission, and the amounts advanced are refunded to the Agency as metered connections to the new systems are completed within specific time limits.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 99-76 authorizing the Executive Director to execute a purchase order for advertising public hearings required by State law.

This represents a ratification of an action to pay for the cost of public hearing advertisements which are required by the California Health and Safety Code. The amount not to exceed \$6,660.45 covers advertisements four times each for the Agency's six projects.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Mrs. Elouise Westbrook requested and received permission to address the Members. She indicated the continuing concern of the community for the security of children and wished to bring another aspect of safety to the Members' attention. This problem concerned the death of a valuable dog owned by a young man from Hungers Point which had been hurt on a construction site so badly that the SPCA had to put it to sleep. She indicated that the dog had cost \$175 and was very much cherished and used as a guard dog for children playing in the area. She asked that the Members consider reimbursing the boy for \$175 to purchase another dog.

Mr. Silva inquired if there were certain papers necessary to the filing of a claim, and Mr. Richard Thomas, Assistant Agency Counsel, responded affirmatively. The Members recommended that a form or letter detailing the claim be submitted for consideration. Mrs. Westbrook complemented the contracting firm of W. R. Thomason which was now working in the area on its security measures.

ADJOURNMENT

It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:25 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF JUNE 1976

DOCUMENTS DEPT.
SAN FRANCISCO
PUBLIC LIBRARY

The Members of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 2:00 o'clock p.m. on the 1st day of June 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Joe Mosley
James A. Silva
Francis J. Solvin

and the following was absent:

Stanley E. Jensen, Vice Chairman

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 2:05 p.m.

EXECUTIVE MEETING

Also present were Arthur F. Evans, Executive Director; Wilbur W. Hamilton, Deputy Executive Director; Morris Phillips, Area Director for Hunters Point and India Basin; Oscar Lee Denton and Tom Dickerman, Project Engineers; Richard Thomas, Assistant Agency Counsel; and Helen L. Sause, Assistant Agency Secretary.

NEW BUSINESS

- (a) Presentation and consideration of the CEME claim, Site Improvement Contract No. 2 Hunters Point Approved Redevelopment Project Area.

Mr. Evans reviewed for the Members the overall complexities of the CEME contract and recalled the circumstances of urgency and difficulty during which the work was performed.

Mr. Redmond Kernan, Director of the Engineering Division, presented in detail the main areas which were in dispute and described the probable liability of these items. He concluded noting that the Agency's consultant, Jacobs and Associates, and staff had analyzed the claim and had found that the Agency had probable liability of \$2.2 million and could support the settlement offer of \$1.8 million.

Mr. Kernan noted that based upon the analysis performed by Jacobs and Associates and staff, as well as the apparent strength of the CEME position, the engineering staff recommends a settlement with CEME. Mr. Thomas noted that Agency General

NEW BUSINESS (continued)

Counsel Tilden H. Edwards also recommended settlement of \$6 million claim and provided the Members with a copy of this recommendation which is attached hereto. Mr. Thomas concurred in Mr. Edwards's recommendation.

Mr. Evans stated that he recommended that the Members authorize an offer of settlement at \$1,750,000 subject to Department of Housing and Urban Development (HUD) approval and subject to the concurring recommendation of one or two qualified objective parties.

Extensive discussion followed. The Members recalled that a previous executive meeting of May 4, 1976 they expressed the opinion that the matter proceed to litigation. The Members reaffirmed these directions to staff indicating that the preparatory work necessary to bring the CEME claim to trial was to proceed. They noted that this did not preclude the possibility of settlement later as the work progressed.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned to special meeting. The meeting adjourned at 3:20 p.m.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:20 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Assistant Agency Secretary

CEME CONSTRUCTION CO. vs. SFRA

GENTLEMEN:

YOU HAVE HEARD A MOST PROFESSIONAL AND RESPONSIBLE PRESENTATION OF THE FACTS AND CAUSATIVE FACTORS, AND AN EVALUATION OF THE LARGEST OF THE MANY LAWSUITS BEING PREPARED AND TRIED BY OUR LEGAL STAFF WITH THE ADVICE AND HELP OF YOUR OTHER STAFF COMPONENTS. MANY CASES WITH THEIR GENESIS YEARS AGO ARE NOW COMING TO FRUITION THIS YEAR. IN THE CEME CASE, WE STAND TO LOSE UP TO \$6M, PLUS INTEREST, COURT COSTS AND COSTS OF PREPARATION AND PRESENTATION. BY JACOBS ASSOCIATES' INDEPENDENT ANALYSIS AND REPORT, WITHOUT LEGAL VALUE OR LIABILITY INPUT FROM YOUR LEGAL STAFF, WE HAVE A CLEAR LIABILITY OF OVER \$1M. THERE ARE OTHER ITEMS NOT EVALUATED BY JACOBS WHICH WOULD INCREASE THIS LIABILITY AND WE ARE HAVING THAT REPORT UPDATED. IN ADDITION, YOUR FORMER GENERAL COUNSEL, HENRY F. DAVIS; ASSISTANT AGENCY COUNSEL, RICHARD M. THOMAS; YOUR EXECUTIVE DIRECTOR, ARTHUR F. EVANS; YOUR DIRECTOR OF ENGINEERING, REDMOND F. KERNAN; YOUR PRESENT GENERAL COUNSEL, AND ALL RELEVANT STAFF COMPONENTS HAVE UNFORMLY RECOMMENDED NEGOTIATED SETTLEMENT. THE CASE HAS BEEN NEGOTIATED DOWN TO \$1.8M FROM A \$4.5M CAUSE OF ACTION AND SEPARATE CAUSE OF ACTION IN QUANTRUM WRIT THAT COULD REACH \$6M. A BOTTOM SETTLEMENT POTENTIAL HAS BEEN REACHED AND RECOMMENDED TO YOU. ALL OF THESE PEOPLE, INDIVIDUALLY AND COLLECTIVELY, ARE PROFESSIONAL, DEVOTED AND OF HIGH-LEVEL INTEGRITY, AND HAVE MADE A HIGHLY-SPECIALIZED EVALUATION. I GIVE YOU MY UNEQUIVOCAL RECOMMENDATION FOR AUTHORITY TO EFFECT THIS SETTLEMENT, KEEPING IN MIND THE PLAINTIFFS DID NOT JUST COME UP WITH A SETTLEMENT OFFER. IT HAS BEEN THE RESULT OF PROGRESSIVE, RATIONAL, EFFECTIVE, NEGOTIATED BARGAINING. TIME IS NOW FAST

AND NEGOTIATION SHOULD BE GIVEN MAXIMUM CREDIBILITY AND RELIABILITY, AND DESERVES YOUR MOST SERIOUS CONSIDERATION. IN LAWYER PARLANCE, IT HAS BEEN NEGOTIATED TO THE BONE AND IS "A SETTLEMENT TYPE CASE" AT THIS FIGURE.

YOUR ALTERNATIVES INCLUDE A DECISION OF: (1) NEGOTIATED SETTLEMENT; (2) NEGOTIATED ARBITRATION PROCEDURES WITH THE PLAINTIFF, WHICH IS DOUBTFUL; OR (3) DEFEND THE LITIGATION IN COURT. IN ALTERNATIVES (2) AND (3), YOUR LEGAL STAFF IS SO COMPLETELY OVER-EXTENDED THAT IT COULD ONLY UNDERTAKE PROPER PREPARATION, PRE-TRIAL DISCOVERY, AND TRIAL OF THIS LAWSUIT BY DEVOTING THE ENTIRE LEGAL STAFF (CONSISTING OF MYSELF AND TWO OTHER LAWYERS AND ONE LEGAL SECRETARY) FOR EXTENDED PERIOD OF TIME, AS WELL AS A PRIORITY CALL ON THE TIME OF YOUR ENGINEERING AND TECHNICAL STAFF AND PROJECT SUPERVISORY AND ON-SITE PEOPLE. WE HAVE PENDING AT LEAST EIGHT (8) MAJOR CASES WITH COMPLEX ISSUES IN PRE-TRIAL DISCOVERY STAGE WHICH WILL BE IN TRIAL BETWEEN NOW AND SEPTEMBER. THE TOTAL AMOUNT SOUGHT IN THESE CASES IS ABOUT \$2.7M. IF CEME IS ADDED, THAT AMOUNT WOULD INCREASE TO \$7M.

IN ADDITION TO LITIGATION, THE DIVISION RENDERS INNUMERABLE DAILY LEGAL OPINIONS ON REQUEST TO PROJECT AREA PERSONNEL AND DIVISION HEADS--IN SPECIAL MEETINGS, IN WRITTEN MEMORANDA, AND IN VERBAL FORM, MOST ALL OF WHICH REQUIRE SOME RESEARCH. WE ALSO REGULARLY OPEN FILES ON CLAIMS NOT YET IN LITIGATION, AND SEEK TO DEVELOP AND RECORD LAW AND FACT MATERIALS FOR EVALUATION AND PREPAREDNESS FOR EITHER OR BOTH LITIGATION OR SETTLEMENT. WE PASS UPON MILLIONS OF DOLLARS OF VALUE IN BIDS, BIDDINGS, REAL ESTATE DEVELOPMENTAL CONTRACTS OF SEVERAL VARIETIES, AND ADEQUACY OF BONDS AND INSURANCE; WE DO COMPLEX AND CUMULATIVE PREPARATION AND NEGOTIATION OF ADMINISTRATIVE LAW MATTERS, SUCH AS THE AGENCY-CITY CD FUNDS CONTRACT, A CODE FOR RELEASE OF INFORMATION UNDER THE

STATE AND FEDERAL PUBLIC INFORMATION AND PRIVACY ACTS, CONFLICT OF INTEREST CODE AND DESIGNATIONS SUBJECT TO ULTIMATE APPROVAL OF THE BOARD OF SUPERVISORS, CHANGES IN BOILERPLATE LANGUAGE AND COVENANTS IN HUD MANUAL OF FORMS AND REQUIREMENTS WHICH ARE BINDING UPON US. THESE AND THE MANY OTHER FUNCTIONS AND SERVICES OF THIS DIVISION WOULD SERIOUSLY SUFFER IF THE CEME CASE WERE PUT TO TRIAL. IN ANY EVENT, IF IT IS THE DECISION OF THE BOARD TO TRY THE CASE, WE ESTIMATE THE COST OF PREPARATION FOR TRIAL WILL APPROACH \$500,000.00.

OF COURSE, WE WILL NEED AUTHORITY TO CALL UPON RESERVE FUNDS, IF ANY, AS THE NEED ARISES. WE NECESSARILY LOOK TO THE MEMBERS FOR THESE FUNDS, WITH LEAD FUNDS FROM TIME-TO-TIME TO DRAW ON WITHOUT REPEATEDLY COMING TO THE MEMBERS FOR THE STEP-TO-STEP FUNDS NEEDED. I FEEL DUTY-BOUND TO ADD THAT I BELIEVE FULL LITIGATION OF THE ISSUES WILL MAKE THIS AGENCY LOOK VERY BAD. IN THE TRIAL WE CANNOT EXPLAIN AWAY THE CAUSATIVE FACTORS WHICH RESULTED IN DELAYS AND DAMAGES. WHETHER THESE CHANGES, DELAYS, AND ACTS OF THE AGENCY WERE TO THE BEST INTEREST OF ITS PROJECT'S PURPOSE IS NOT RELEVANT IF THEY RESULTED IN LOSS TO THE CONTRACTOR. DEALING ONLY WITH ULTIMATE FACTS, THE NEWS MEDIA IS IN A POSITION TO DO GREAT DAMAGE TO THE AGENCY, INCLUDING MEMBERS, AND EVERY LEVEL OF THE EXECUTIVE, ADMINISTRATIVE AND SUPERVISORY STAFF. LACK OF FUNDING, CHANGES IN DESIGN AND PLAN, UNKNOWN LATENT FACTORS ON THE PREMISES, AND SUCH MATTERS DO NOT ALTER LIABILITY. THE EVIDENCE IN DEFENSE MAY ALSO MAKE THE CONTRACTOR LOOK INEFFICIENT AND AT FAULT AT TIMES, AND CERTAINLY FROM THE TOP QUANTRUM MERIT FIGURE OF \$6M, WE FEEL SATISFIED THAT WE CAN SUCCESSFULLY PRESENT DEFENSES, BUT WHAT A COURT OR COURT AND JURY WILL FIND IS UNPREDICTABLE. IN A CASE OF THESE DIMENSIONS AND DETAIL, ONE CANNOT FORESEE HOW CAREFULLY THE DETAILS IN EVIDENCE WILL BE STUDIED, UNDERSTOOD AND DIGESTED. WE HAVE SEEN FROM PAST EXPERIENCE

THAT THE LEVEL OF RESPONSIBILITY OF THE AGENCY IS VERY HIGH.

IN MY OWN VIEW, IT SEEMS NEITHER PRUDENT NOR POLITIC FOR THE PRESENT MEMBERS TO DEFER THIS MATTER BY PASSING IT ON TO A NEW BOARD. HOWEVER, THAT IS YOUR DECISION TO MAKE. IN THE MEANTIME, THE CASE CANNOT AND WILL ^{NOT} REMAIN AT A STALEMATE. OUR EFFORT HAS BEEN TO GIVE THE MEMBERS SOUND FACTS, LAW AND ADVICE, INCLUDING THAT ADDITIONAL FUNDING FOR TRIAL OF THIS CASE WILL BE NECESSARY.

15

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF JUNE 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 8th day of June 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Stanley E. Jensen, Vice Chairman
Joe Mosley
James A. Silva
Francis J. Solvin

and the following was absent:

None

The Chairman declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Sol E. Onorato, Sam A. Waters, and G. F. Kelleher, representing S. E. Onorato Garages; Benjamin D. James, Jr. and Paul Lamson, representing the Metropolitan Parking Corporation; Albert Petterut and Richard Haldman, representing System Auto Parks; Victor Gilbert, independent parking lot operator; and Timothy Easbey and James Davis, interested citizens.

Representing the press were Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that the minutes of the Regular Meeting of June 1, 1976, as corrected, and the minutes of a Special Meeting of June 1, 1976, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the interim leases in the Yerba Buena Center Approved Redevelopment Project Area

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the interim leases in the Yerba Buena Center Approved Redevelopment Project Area. Chairman Kaplan indicated that no action was calendared on this matter.

Mr. Benjamin D. James, Jr., representing the Metropolitan Parking Corporation (MPC), requested and received permission to address the Members. Mr. James indicated that letters had been received from the Agency indicating that certain leases were to be put up for bid. Certain of these properties are now occupied under the interim leases of the MPC in the Yerba Buena Center project area. Mr. James indicated that the MPC had occupied some of these parcels in Yerba Buena Center, prior to the time the Agency was formed in 1948, and was a tenant

SPECIAL APPEARANCES (continued)

of record before the parcels were acquired by the Agency. He indicated that there were other parcels which MPC had leased through a bidding procedure. By the Agency's letter of September 2, 1970 MPC was given to understand that the month-to-month leases would continue to run until the Agency had need of the land for redevelopment. Because of this understanding MPC had spent some \$155,000 of its own money in improvements, which included grading, paving, filling, and marking parking strips. He indicated that this work could just as well have been the Agency's expense according to Federal guidelines and regulations. Mr. James indicated that MPC had written a letter to the Agency indicating MPC's willingness to raise its rental payments along the lines indicated by the minimum bid price. He indicated that it would be unfair to offer the lots for bidding, since many of the operators had made expenditures for development of parking and had been in the area before the land was acquired. He reiterated that MPC had been assured it would remain until the Agency needed the land. He also indicated that under the proposal to put the lots out to bid certain parcels were to be combined and he feared that smaller operators or individuals who operated small lots would be deprived of their livelihood. He indicated that one potentially affected operator was blind. Mr. James indicated that MPC has a large work force and more than 56 percent of those persons were minorities. If MPC were to lose its right to lease the lots then several persons would be out of work. Mr. James reiterated that MPC was willing to work out an increase in rental amount with the Agency but he did not believe MPC should be subjected to the jeopardy of losing its investment.

Mr. Solvin indicated that the Agency was obligated to obtain the highest possible income from the properties under its ownership, but it did not wish to act unfairly. He inquired if MPC would be willing to give the Agency a statement as to what its gross and net income and expenses were. Mr. Paul Lamson of MPC came forward and indicated that he was vice-president of that firm and that this information could be provided to the Agency but was reflected in the amount of City parking taxes paid. Mr. Lamson indicated that he wished to make one correction in the presentation by Mr. James. He indicated that MPC had been in the area since 1955, not 1948.

Mr. Sol Onorato, representing S. E. Onorato Garages, came forward and indicated that he concurred with the comments made by the MPC representative, even though they were competitors in the area. He also noted that Onorato Garages had been definitely assured by the Agency staff that it could remain as a tenant until such time as construction was ready to proceed on that particular area. He indicated that the firm had also done paving and other corrective work on the areas which it had leased. As an example of its willingness to cooperate with the Agency, Mr. Onorato indicated that at one point the Agency had taken some of the land back again while demolition proceeded on an adjacent structure. The firm had actually suffered some damage which was finally reimbursed by the demolition contractor for 50 percent. He indicated that if this proposal to offer the lots for bid were to proceed it would require conformance with City permit requirements, including having the parking lot operators install drains. He indicated that he was aware that the operators were on a 30-day basis. He indicated that there was no way operators could gross \$6,000 but rather the gross was between \$1,700 to \$1,800. He indicated the operators' costs for the areas requiring attendants. He reiterated that the main problem with the reoffering was in obtaining permits and complying with the stringent regulations of the City Building Code and Permit Bureau which would make the lots too costly. He claimed that no one could afford to bid the latter. He suggested that

SPECIAL APPEARANCES (continued)

these lots were not in the best areas. Mr. Solvin inquired if Mr. Onorato would provide the Agency with his income figures, and Mr. Onorato replied affirmatively emphasizing the cost of labor because all the employees were union members. Mr. Jensen commented on the cost of parking and noted that this should not be entirely attributed to labor. Mr. Onorato indicated that costs were attributable to other items but the employees were well paid with health plans and other fringe benefits.

Mr. Victor Gilbert came forward and indicated that he had a printing firm at Third and Howard Streets and also maintained a small parking lot adjacent to his business. He indicated he had been in the area before the project had started and suggested that perpetuating the parking lots was not the original purpose of redevelopment. He indicated he had spoken with Mr. David Collins, Area Director for Yerba Buena Center, and was told that the Agency was under pressure from various factions to obtain a maximum return on the land. He indicated that he did not approve of increasing the parking fees to raise money to keep the Agency alive. He indicated that he operated one of the small parking lots shown on the map and that he did not make money on parking. He also indicated that he had been in the area and had given up his property to redevelopment in 1969 and alleged that again in 1976 he is confronted with the same situation. He expressed resentment at having given up his property and lost revenue for what he believed was a bona fide plan and then seeing nothing happen in the area. He believed that the matter should be brought to the attention of the public through some medium such as television and that Yerba Buena Center should not be left as a vast parking lot. He indicated his sincere belief in the redevelopment process but regretted that in all these years nothing had been accomplished in the area. He believed that to be fair the Agency should deal with the people now renting in the project and inquired why it was necessary to move more people out and put the lots out to bid. He did not believe this was the original intent of redevelopment.

Mr. Silva inquired whether Mr. Gilbert had any suggestions that would get Yerba Buena Center off the ground, and Mr. Gilbert replied that he believed the public had been left out and that the matter should be placed before the public. He indicated it was expensive for a business to remain in San Francisco because of the increased property taxes and that it was indeed a paradox to know what to do about the problem.

Mr. Silva indicated that one of the speakers had indicated the willingness of his firm to pay the Agency more money. Mr. Lamson indicated that he was aware that the Agency property had appreciated and that MPC would be willing to consider an increase. He indicated that if the operators remained in the property it was evident that they were expected to make a profit and that to be thrown into the street was disruptive to a business. It was Mr. Lamson's contention that the area should be developed by degrees and this may take ten more years. Mr. Lamson voiced his concern about the loss of employment and income, and he hoped that some solution could be worked out.

Mr. Silva commented that several of the speakers had indicated that their firms were being kicked out because the lots were going to competitive bid. He wished to clarify that the competitive bidding process offered them an opportunity to continue interim parking leases.

SPECIAL APPEARANCES (continued)

Mr. Jensen indicated the eagerness of the Members to see Yerba Buena Center built. He indicated that the new mayor had formed another committee and he expressed concern that this would cause more delays. He indicated that developers wanted to build in the area, such as the apparel mart, and as a result of delays Mr. Ben Swig was now considering moving the Seals hockey team out of San Francisco because of the delays in constructing the sports arena. He indicated that the Members had traveled all over the country in an effort to determine the sports arena most suitable for San Francisco but now the Agency was being blamed for delays caused by others. He indicated that the Agency has the greatest employees and group of professional redevelopers formed under the direction of the late M. Justin Herman and that they had done wonderful work in the Golden Gateway, Diamond Heights, Hunters Point, and India Basin but the only project that is continually berated is Yerba Buena Center. He hoped that there would not be any parking lots eventually but noted that parking rates had been raised elsewhere in the city. Mr. Lamson indicated that these lots had not been increased. Both Messrs. Silva and Jensen indicated that they were attacking the parking firms and noted that as long as the area was not being built then the Agency was obliged to lease the property. Mr. Jensen stressed the desire of the Members to see something beautiful built in Yerba Buena Center and expressed concern that if the project was not built there would not only be the loss of construction and permanent jobs but also the loss of additional taxes to the city. He believed the people should demand that the project be built without further delay. He commended the press for its support of the project.

Mr. Onorato noted in response to the question about parking rates that his firm had reduced rates to 75 cents and that other lots in the area ranged from 50 cents to \$1, all including the 10 percent parking tax. These rates have been negotiated with the labor union and there has never been a strike. He noted that the firm could stand a small increase in rents but that competitive bidding could result in a vacant area. Mr. Silva inquired how many people worked on the lots, and Mr. Onorato replied that there was a roving supervisor. Mr. Silva commented that the original \$155,000 investment of MPC would have already been depreciated off the books, because it was anticipated construction would have started before this time. Mr. Onorato indicated that about \$50,000 of his investment was depreciated. Mr. Lamson reiterated that various staff members in charge of property management in the area had assured the parking lot operators that they could remain in the area as tenants of record until the Agency needed the land, and this was what the operators had counted upon. Mr. Silva asked Mr. Lamson how much land for parking his firm had before redevelopment came into the project area, and Mr. Lamson replied that it was approximately 132,000 square feet, adding that his firm was the largest single operator. In reply to Mr. Silva's question, Mr. Lamson indicated that the firm now had about twice as much land. Mr. Silva indicated that the staff would take this into consideration and perhaps one-half could be put out to bid and the balance of the land be negotiated. He stressed that the Agency was a public agency and had a responsibility for the property under its control. Mr. Lamson commented that the firm had worked hard to build up the area, however, he believed that the Agency had been extremely fair with the firm. Mr. Silva requested that the current operators write the staff suggesting what they believed was an acceptable increase to them and forward the financial data outlined earlier by Mr. Solvin.

SPECIAL APPEARANCES (continued)

Messrs. Onorato and Lamson indicated they would write letters indicating what would be an acceptable increase in rent.

Mr. Hamilton commented that the Agency has attempted to get Yerba Buena Center going and that much time had elapsed. He stressed that the Agency had a public trust in the rental of property under its control. He noted that since construction had not occurred in Yerba Buena Center as scheduled, the staff recommended offering the lots for bid to establish the appropriate return to the Agency in this market. Chairman Kaplan inquired if the lots were put out to bid would they be subject to all City regulations. Mr. Hamilton indicated that the staff would determine this and would also expect the letters from the operators in the area. There being no further persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Wilbur Hamilton reported to the Members on the following matters:

- (a) Executive Director Arthur F. Evans is attending a hearing of the Board of Supervisors Governmental Services Committee on the Hunters Point Security Guard today.
- (b) Mosley left the meeting at 4:40 p.m.
- (b) Mr. Hamilton indicated that a potential claim was under consideration arising from the death of a dog at Hunters Point, as reported by Mrs. Elouise Westbrook at a previous meeting. Some material has been received and is being evaluated.
- (c) In connection with Yerba Buena Center the Board of Examiners has approved three of the four variances requested for the sports arena, with the fourth not being vital to the arena construction. Mr. Mel Swig has indicated the he is considering another site outside San Francisco.

NEW BUSINESS

- (a) Resolution No. 105-76 authorizing agreement with PG&E for engineering design services in connection with undergrounding electrical facilities in the Western Addition A-2.

This concerns a Pacific Gas and Electric Company letter of agreement authorizing reimbursement not to exceed \$42,000 for preparation of contracts for construction of underground facilities. As work proceeds construction contracts will be brought before the Members and the costs of design will be included in the Agency's share of undergrounding cost.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 106-76 approving agreement for paving services with Pacific Pavements Company, Ltd., all projects.

This represents award of a paving contract to the lowest of three bidders, Pacific Pavements Company, Ltd., for \$100,000 for one-year service covering all project areas for installation of new sidewalks and paving of parking lots,

NEW BUSINESS (continued)

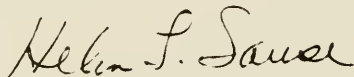
if necessary. The firm has an acceptable affirmative action program.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Solvin, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Solvin, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 4:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause". The signature is written in dark ink and is positioned above the printed name and title.

Helen L. Sause
Assistant Agency Secretary

JUL 12 1976

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF JUNE 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 15th day of June 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Stanley E. Jensen, Vice Chairman
Joe Mosley
James A. Silva
Francis J. Solvin

and the following was absent:

None

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Mayor George Moscone; Joseph Yarnell & Associates; Cynthia Joe, Presbyterian Church in Chinatown; Arnold G. Townsend, Western Addition Project Area Committee (WAPAC); and Elouise Westbrook and Ethel Garlington, Bayview-Hunters Point Joint Housing Committee.

Representing the press were Don Canter, San Francisco Examiner; Dan Borsuk, San Francisco Progress; Mel Wax, KQED TV Channel 9; and KPIX TV Channel 5.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that the minutes of the Regular Meeting of June 8, 1976 and the minutes of the Executive Meeting of June 8, 1976, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

- (a) Chairman Kaplan announced that the public hearing on the disposition of Parcel H-5 in Diamond Heights would be recessed until June 22, 1976.
- (b) Chairman Kaplan indicated that it was his pleasure to welcome Mayor George Moscone to the meeting.

Mayor Moscone indicated his appreciation of being greeted by applause. He stated that this visit was being made along with appearances before other City Commissions in order to ascertain what expectations they had of the Mayor and to convey his policy directions. He expressed his belief that the Agency should continue to preserve its autonomy and thus its independence but the two should not operate in a vacuum toward one another.

Mayor Moscone commented that the Agency had a significant record of accomplishment in developing major projects such as new housing and community facilities in Diamond Heights, Western Addition, Hunters Point, and the commercial revitalization of the Golden Gateway.

SPECIAL APPEARANCES (continued)

Mayor Moscone went on to say that the major task before the Agency was the expeditious completion of existing project commitments where major work is still undone. This included the completion of the Fillmore commercial center and housing rehabilitation in Western Addition A-2; Phase II of the new housing development program in Hunters Point; attraction of private industry to develop the India Basin Industrial Park; and the development of Yerba Buena Center in accordance with a plan that has widespread public support.

At this point the Mayor indicated that there may have been some misunderstanding by the Board of Supervisors of his intentions in regard to Yerba Buena Center. He recalled that when he was a Supervisor he had cast one of the two votes against the project, not because he did not believe in redevelopment, but because at that time he was not satisfied that there had been adequate public involvement which he believed was essential to a successful project. He also noted the role of the press which headlined what went wrong but when positive accomplishments were made it was difficult to find mention of them in the newspapers. He believed this was important because people were very litigious and have taken to the streets to stop the actions of agencies and bureaucracies. It is for this reason that he formed the Select Committee on Yerba Buena Center. Mayor Moscone emphasized that the 17-member Committee was an ad hoc body without power but was to provide the people a voice on use of this property. He noted his appointments to the Committee were made so that community people would have a voice. He also noted that the Committee was chaired by Judge Leland Lazarus who had retired from the bench but who wished to be of service to the city. The Mayor noted that some of the people selected might not be suitable for the Committee but this was a process which would provide people an opportunity for involvement. The Mayor indicated that Yerba Buena Center would not be permitted to remain dormant and that it would be built in an orderly way. He promised the support of the Mayor's Office in getting Yerba Buena Center developed.

In accomplishing the tasks of the Committee, the Mayor indicated that the Agency must address some very significant and difficult issues and he wished to state them as he saw them. One of them is the development plans for the Fillmore commercial center in Western Addition A-2 which has been stagnant for too long. The existing disposition agreement with Pyramid Development Company has been in effect for almost one year and Pyramid has had exclusive negotiating rights on the six-block area for over three and one-half years. Unless Pyramid is able to show substantial and tangible progress in developing the first two blocks of the Fillmore Center, the existing disposition agreement in his view should be terminated when it expires in August. If the original concept of a shopping center cannot go forward, the Agency should move forward with alternate plans to ensure the prompt development of this much-needed commercial area.

Another issue was that most of the site improvements in the India Basin project are completed and approximately 126 acres of industrial land are ready for sale. The current plans call for the development of labor-intensive industries to provide job opportunities for unemployed and underemployed residents of the Bayview-Hunters Point community, which Mayor Moscone believed to be a very laudable objective.

Mayor Moscone indicated that in light of current economic trends which show these kinds of industry moving out of San Francisco, an aggressive marketing program will be required to counter this trend. In addition, alternate plans for the sale of this land should be developed so that if labor-intensive industry cannot be attracted to India Basin, other appropriate developments can take

SPECIAL APPEARANCES (continued)

place and the project can be completed. To date, over \$36 million has been invested in preparing the land for disposition to private developers, and it is essential that India Basin be developed now so it will start producing the jobs and tax revenues to the city that were promised when the project began some seven years ago.

Mayor Moscone again indicated that Yerba Buena Center must be developed now. After more than ten years of public discussion and controversy the need to get the project developed, especially the Central Blocks, was absolutely critical. His Select Committee was created to open up the planning process and to develop a plan that would enjoy widespread public support. Mayor Moscone greatly appreciated the support the Agency had given to the Committee and his expectation that this cooperation would continue. Once the Committee's recommendations are made in August, he indicated he would work closely with the Agency to implement plans for Yerba Buena Center that the majority of San Franciscans could support.

Another issue concerned the completion of these critically important projects which must be done within the constraints of a totally different funding system. Federal dollars for urban renewal activities now flow to the city from the Community Development Block Grant. This is an annual fixed allocation of funds for not only urban renewal but also for a variety of other eligible activities, such as code enforcement and housing rehabilitation, model cities, neighborhood centers, recreation and branch library improvements, historic preservation, and public housing modernization. This means that additional funds needed to complete urban renewal projects must compete for limited funds with requests for other kinds of eligible activities. Mayor Moscone indicated that funds to complete the existing urban renewal project commitments are currently consuming approximately \$17 million, or 60 percent, of the total \$28.8 million Block Grant. This annual requirement for project completion should be reduced as the necessary project improvements are finished and the project land is sold for private development. It must be reduced in view of the potential decline of the Block Grant entitlement from \$28.8 million in 1977 to \$12.6 million in 1980 and the need to initiate other activities in the many areas of the city that need Community Development funds, but which are not included within the existing urban renewal project boundaries.

Mayor Moscone indicated he wished to assure the Agency that he would join with it in leading the fight in Congress to prevent the reduction in San Francisco's Block Grant entitlement; however, Federal funds would always be less than what the city needs, and he must have the ability to provide needed community development improvements in other areas of the city. He reiterated that the Mayor's Office would work with the Agency to assure that needed funds come to San Francisco and that as an elected official he would become as political as necessary to assure that San Francisco gets its needed funding. He noted that the outcome of the presidential election would play a major part in the success cities have in securing funding.

The next item of importance was that as the existing renewal projects come closer to completion, the Agency has to reduce its staff to reflect the reduced scope of project activities. In the 1976 Community Development Program, almost \$3 million in Block Grant funds were allocated to the Agency to cover the administrative costs of the Agency of \$5.7 million. Mayor Moscone indicated that he had instructed his Office of Community Development to scrutinize the Agency's administrative budget requests for 1977 as closely as those of other City Departments. This staffing reassessment should be an on-going process. Mayor Moscone

SPECIAL APPEARANCES (continued)

indicated his recognition that since 1970 the Agency has already reduced its staff from 389 employees to its present level of 220, however, neither the extent of future project activity nor the resources of the Block Grant will be able to continue this level of Agency staff and additional reductions must therefore be made. Mayor Moscone acknowledged how difficult this was and noted that he was not singling out the Agency but felt obligated to be sure expenditures of funds provided maximum benefit to the city. He stressed that he did not wish to see a schism between the Agency and the Mayor's Office because each has the same goals. He hoped that the Agency would accept his remarks as an expression of policy and he looked forward to building together achievements for the city that would be headline news. He concluded noting his belief that the Agency was equal to that task.

Chairman Kaplan thanked Mayor Moscone for his attending the meeting and presenting his views, as well as for his promise of help in fighting for Federal funding to complete the projects. Mayor Moscone indicated that it might appear he was remiss in not having filled the two new positions on the Agency Board recently authorized and commented that he delayed to make sure people were selected who would have an interest in the Agency. He indicated that within the next week he would submit to the Board of Supervisors the names of three new Members who could be expected to work on the items discussed today.

Chairman Kaplan indicated that the staff would continue to work with the Mayor's Office to accomplish their common goals. He noted the Members' awareness of the need to constantly review the Agency's administrative costs and that staff would be reduced as expeditiously as possible while maintaining its effectiveness. He again thanked the Mayor for visiting the Agency and sharing his views.

NEW BUSINESS

- (a) Resolution No. 108-76 extending exclusive negotiating rights jointly to Presbyterian Church in Chinatown and Arcon, Inc. for the purchase of the project area in the Stockton/Sacramento Redevelopment Project until December 31, 1976.

This extends exclusive negotiating rights of the Presbyterian Church in Chinatown and Arcon, Inc. for six months until December 31, 1976 to permit completion of the processing of the application for a conditional loan commitment by the Department of Housing and Urban Development (HUD). Mr. Evans noted that HUD has been working on the application for one year but that there were also delays in acquisition.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 109-76 awarding Personal Services Contract HE-31, Hunters Point Redevelopment Project, to Yarnell & Associates.

This concerns authorization of a \$40,000 maximum amount contract with Yarnell & Associates for surveying services for (1) landscaping recreation and park areas and market rate lots, (2) construction staking for these areas, and (3) survey of completed improvements to provide information on these areas.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (c) Resolution No. 107-76 establishing classifications of positions and compensation for the Agency staff and establishing the authority for appointment to and vacation from positions under said classifications and other related matters.

This is the Agency salary resolution for 1976-77 effective July 1, 1976. The increases are based upon City comparables and range from 0- to 11.5 percent, with 191 staff grouped in the 6.5 to 3 percent increase bracket, and 18 in other categories for increases. The resolution also deletes the existing classification of Assistant Executive Director for Administration, adds one new classification of Personnel Officer, and retitles the Chief Accountant classification to Deputy Controller, and the Mortgage Finance Technician to Mortgage Finance Counselor. In addition, two salary reclassifications which affect three incumbents are proposed, as follows: Project Director, Yerba Buena Center Public Facilities, would be retitled Project Director; the position now entitled Secretary to the Executive Director would be reclassified and retitled to Confidential Secretary to the Executive Director and Confidential Secretary to the Deputy Executive Director. The resolution also brings craft employees into the Agency's salary schedule with the same benefits as Agency employees.

Mr. Jensen inquired how the health and welfare benefits were paid and Mr. Wilbur Hamilton, Deputy Executive Director, replied that the employees pay and the Agency contributes according to the individual's number of dependents. Mr. Jensen asked how much this would be, and Mr. Hamilton indicated that it depended upon whether the individual was single, had a dependent, or more than one dependent. He noted that until now the crafts people had received the benefits established by their unions but would not be considered as Agency employees. Mr. Jensen believed the City's contribution was \$27.30 for everyone and expressed the hope that the Agency's program was better than the City's. Mr. Hamilton indicated that the contribution to the Agency's health plan was better and noted that the Agency paid approximately \$37 for a single person, \$49 for an employee with one dependent, and \$60 for an employee with two or more dependents. Mr. Jensen noted that there were some portions of the City's salary ordinance which were being reviewed, and Mr. Hamilton indicated that any changes would be reflected by the Agency. Mr. Jensen requested that copies of that directive which required the Agency to conform to the City salary rates be sent to him, and Mr. Hamilton indicated this would be done.

Mr. Evans indicated that there was a companion action to be taken which was the retitling of the position held by Mr. Mel Ury, Assistant to the Executive Director, to that of Project Director, which more closely describes his work.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

MOTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that Mr. Mel Ury be appointed as Project Director.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 110-76 payment of settlement claim of James Davis in the amount of \$175 for losses incurred through the execution of the Hunters Point Redevelopment Project.

This represents payment of a \$175 claim for the death of a dog due to injuries incurred on a Hunters Point construction site, when the dog ran across a

MATTERS NOT APPEARING ON AGENDA (continued)

projecting length of iron pipe. The Agency's Legal Division advised that liability could be legally determined and staff therefore recommends payment.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 4:10 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

After adjournment Mr. Morris Evenson, Recording Secretary of Painter's Local Union No. 4 of the International Brotherhood of Painters and Allied Trades, appeared before the Members expressing concerns expressed in the letter to Judge Leland Lazarus, Chairman of the Mayor's Select Committee on Yerba Buena Center, dated June 15, 1976, as follows:

"As a member of the above committee I strongly protest the inaccurate account of an apparent prejudice [sic] staff person's statement issued in the Information Bulletin, dated June 1976.

"To wit: 'What the Committee learned from these [sic] hearing is that the existing Redevelopment Agency plan for YBC is not only financially unworkable, but also virtually unsupported by the general public.'

"It is my opinion as follows:

1. That the Committee has not reached any conclusions on the Redevelopment Agency's plan nor any of the alternatives that have been proposed.
2. To accurately state what feelings the general public has, judging by attendance at public meeting, less than one hundred people (100) attend any of these public meetings. (Four in all)
3. One should state that up to this date there has been a lack of public response to the public meetings which in effect means general public apathy for YBC toward any plan.

"If we members of the Committee are to arrive at an intelligent conclusion, we cannot kid ourselves or the public with such false propaganda. I request that the next information bulletin correct the above quoted misinformation."

"[signed] Morris Evenson"

Minutes of a Regular Meeting, June 15, 1976

Mr. Evenson stressed his concern that there are people on the Committee's staff which openly oppose the Redevelopment Plan for Yerba Buena Center and are presenting a biased viewpoint to the Committee. He stated that over the past ten years many people had worked to develop the Yerba Buena Center Plan and an affirmative action program which would insure participation of all San Franciscans. These efforts have now been negated by a few people. He also expressed concern that the few people appearing before the Committee were not representative of the city and that its work was generally being met by apathy.

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF JUNE 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 22nd day of June 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin
Joe Mosley
James A. Silva

and the following was absent:

Stanley E. Jensen, Vice Chairman

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present was Calvin Booth, Civil Service Association Local 400.

Representing the press were Marshall Kilduff, San Francisco Chronicle; and Don Canter, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of a Regular Meeting of June 15, 1976 and the minutes of an Executive Meeting of June 15, 1976, as corrected, and as distributed by mail to the Members, be approved, and further that the minutes of the Regular Meeting of June 1, 1976 be corrected and redistributed.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3751-J, Yerba Buena Center Approved Redevelopment Project Area.

(a) Chairman Kaplan indicated that this hearing would be recessed for one week.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel H-5, Diamond Heights Approved Redevelopment Project Area B-1.

(b) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel H-5, Diamond Heights Approved Redevelopment Project Area B-1. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

Chairman Kaplan indicated that the following item would be taken up out of order:

NEW BUSINESS (continued)

- (a) Resolution No. III-76 authorizing transfer and conveyance of Parcel H-5, Diamond Heights Approved Redevelopment Project Area B-1.

This concerns transfer of Parcel H-5 consisting of 46,361 square feet from Ring Brothers-Diamond Heights Company to BRB Homes, Inc. for \$258,000. Ring Bros. had planned to build a 56-unit apartment building but the site would have required redesign of their plans and rather than expend the money for that, Ring Bros. requested that the Agency approve transfer of the parcel to BRB Homes, Inc. which will construct six four-plex units, two eight-plex units, and one six-plex unit totaling 46 units. Mr. Evans indicated Ring Bros. finished a large portion of its development; however, because of increasing construction costs Ring Bros. now wishes to withdraw from this particular parcel and to sell it for \$258,000, which is \$97,070 above the original purchase price of \$160,930. Ring Bros. has spent this additional sum for preliminary development costs and staff has verified that this amount does not represent a profit for the Ring Brothers-Diamond Heights Company. The Department of Housing and Urban Development (HUD) has also reviewed and approved the proposed transfer. Mr. Evans indicated that the BRB Homes, Inc. is a quality home builder which has previously built in Diamond Heights and is now proposing to construct the 46 units of quality condominiums.

Mr. Silva inquired if Ring Bros. had obtained the property through competitive bid and Mr. Evans replied that after the General Electric Company relinquished this land in the 1960's, Ring Brothers-Diamond Heights Company acquired it by negotiation at the HUD-concurred in price. Mr. Silva commented that there was little land left in Diamond Heights and indicated that there had been inquiries about developable land. He indicated that it would be better to put the land out to bid, because the Agency might get more money for it now.

Mr. Evans indicated that there were few properties left in Diamond Heights, however there had been little developer interest. The Agency staff recommended that BRB Homes, Inc. be assigned the property because the firm had built quality homes in the area and knew the construction costs and building conditions, and in addition was ready to proceed building 46 units. Mr. Evans indicated that he did not know of any other developers who were prepared to move forward in Diamond Heights. Chairman Kaplan noted that the owner had the right to sell the property as long as no profit is made. Mr. Evans affirmed this, indicating it could be done with the approval of the Members.

Mr. Solvin requested information, including financing, square footage per unit, and schematic drawings, and Mr. Michael Mann, Business Development Specialist, indicated he would provide the information to the Members. Chairman Kaplan indicated that the item would be held over for one week.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The article appearing in the newspapers concerning the Diamond Heights Elementary School was essentially correct, according to Mr. Evans, but he noted that the school which had been built upon fill placed in 1960-61 had evidenced some settlement so that the building was determined to be unsafe by Superintendent of Schools Robert F. Alioto and must be closed. Mr. Evans indicated that the land had been conveyed in 1964 and the school built in 1966, and he had first heard of such difficulties there in 1968. At that time there was some evidence of settlement and both staff and the School District had brought back their

REPORT OF THE EXECUTIVE DIRECTOR (continued)

licensed soils engineers to "track" the movement. The movement appeared to have been caused by an increase in subsurface water and corrective action was taken, including placement of additional drains. The water table reestablished itself and the settlement stopped. Nothing more was heard until a month ago. A firm of soil engineers has been monitoring the slippage during the past year and it appears that water seepage may be the problem. There is no consensus as to where the water is coming from nor how to get rid of it. The Agency has placed its files at the disposal of anyone who needs background material, however it is now difficult to reconstruct all circumstances concerning placement of the fill. He noted it would be some months before any more definitive knowledge is available on the problem but he would keep the Members informed.

SPECIAL APPEARANCES (continued) Public hearing to hear all persons interested in the matter of the Conflict of Interest Code for the San Francisco Redevelopment Agency.

- (c) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the Conflict of Interest Code for the San Francisco Redevelopment Agency.

Mr. Calvin Booth of the Civil Service Association Local 400 came forward and indicated he had submitted a letter on behalf of Local 400 indicating that the Conflict of Interest Code was too broad and gets into the mainstream of the bargaining unit for employees who have no discretion in the decision-making process. He requested that there be an insert under Section 800 which provided that an employee be informed of persons seeing his file. Mr. Booth noted that Local 400 had no other objections to the Conflict of Interest Code. Mr. Evans noted that a Section 800 had been included in the revised Code. There being no further persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

NEW BUSINESS (continued)

- (b) Resolution No. 112-76 Conflict of Interest Code for the San Francisco Redevelopment Agency.

Mr. Evans indicated that the Conflict of Interest Code applied to all staff who were in a decision-making capacity or in a position to make a material profit from any investment or interest in a business or entity to disclose their interest. The policy conforms to State Law which requires that each city have all its agencies and commissions adopt guidelines on conflict which are submitted to the governing boards for approval. The Board of Supervisors has set a deadline for receipt of all Codes on July 1, 1976. Mr. Evans stressed that for a person to be affected there must be a material interest. There is no requirement to disclose any interests outside the relationship with the Agency. Mr. Booth reiterated that Local 400 desired some type of security or safeguard prior to anyone seeking information. He stressed that the employees be informed before anyone examined their files. Chairman Kaplan indicated that some time in the past there had been some question regarding a public utility, and Mr. Tilden H. Edwards, Agency General Counsel, explained that it has been found that there is no conflict for a public utility in the area where it has the monopoly. Mr. Solvin suggested that there could technically be a conflict if a person owned sufficient stock in the utility but this fact could easily be disclosed. Mr. Edwards read the paragraph in the Code covering the provision that Members have to declare matters that concern the Agency, and he also quoted certain law governing personal disclosure, as related to historic cases.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 113-76 approving Change Order No. 14-6 to Site Improvement Contract No. 14, Hunters Point NDP A-5.

This item concerns a change order for \$37,500 to Site Improvement Contract No. 14 of the DeNarde Construction Company in Hunters Point. The original contract amount was \$2,106,158 and this additional work covers excavation and placement of additional earth, occurring during earthwork operation in which old government fills of approximately 15,000 cubic yards was encountered that required over-excavation and recompaction that was unknown at the time the original contract quantities were estimated. Mr. Evans explained that during the 1940's the war housing was built by the government on clay fill which is unsuitable material which needs to be removed and recompacted and that the work had been done. Mr. Mosley inquired why the Members were not informed about the matter before the work was done, and Mr. Evans indicated that in the field when the problem was uncovered, the engineers had the contractor take the necessary action rather than stop work on the contract. Mr. Silva asked that the Members first be apprised in the future before proceeding with such changes. Mr. Evans indicated that the contract specifically provided for such change orders, since there was no way to ascertain the amount of work to be done until the contractor uncovered the material. He also noted that the city provided for this contingency by authorizing the Director of Public Works to issue change orders up to 10 percent of the contract. He indicated his concern in essentially stopping the \$2 million job until a \$35,000 change order could be considered and approved by the Members. Mr. Silva inquired about the rules governing change orders, and Mr. Evans explained that an Agency resolution specified the way change orders were handled and required that any orders over \$7,500 should come before the Members for ratification. Discussion followed on procedure, and Mr. Silva asked Mr. Redmond Kernan, Director of Engineering, if this change order could have been brought to the Members at the next meeting without shutting down the job; Mr. Kernan indicated that placed within the constraints of a yes or no answer the job would have to be shut down totally. He noted the urgent need to have the site prepared for housing, the danger of leaving a hole in soft earth, and the potential for a damage claim by the contractor. He stressed that it was difficult to know in advance the quantity of earth involved and that in cutting the hole down the contractor also excavated and recompacted the material; therefore, there was no point in stopping because the full extent could not be known until this was completed. Mr. Kernan indicated that it was only a contract quantity in consideration and not any change in the contract, but an increased authorization above estimated quantities in the contract.

Mr. Solvin left the meeting at this time.

Mr. Silva indicated that in similar conditions in the past the contractor has been halted while a change order was considered and in some cases the original work was put out to bid. Mr. Kernan indicated that this was a different set of circumstances. Mr. Evans indicated that the job in those cases was stopped and the matter brought before the Members, because the cost of work was a substantial portion of the contract. Mr. Silva indicated his understanding of the process and noted that if there was a problem in the way change orders were handled, staff was to report on the matter. Mr. Evans indicated that the procedure being followed was that recommended by the Members in the past, and that this procedure and the one followed by the City both had positive and negative aspects. He indicated that he would provide a report on the matter.

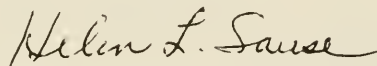
NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Helen L. Sause".

Helen L. Sause
Assistant Agency Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF JUNE 1976

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 29th day of June 1976, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Stanley E. Jensen, Vice Chairman
Joe Mosley
James A. Silva

DOCUMENTS

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and the following was absent:

Francis J. Solvin

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Benny Stewart, Western Addition Project Area Committee (WAPAC); J. Baldwinson, B. Barreuther, and Mary Edwards, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that the minutes of a Regular Meeting of June 22, 1976, as distributed by mail to the members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed amendment to the Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project Area D-1.

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed amendment to the Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project Area D-1. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3751-J, Yerba Buena Center Approved Redevelopment Project Area.

- (b) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3751-J, Yerba Buena Center Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The Mayor has presented to the Board of Supervisors his recommendation for the three new Agency Members, one of whom is to replace Mr. Solvin. They were named as follows: Reverend Hannibal Williams, Alan Rothenberg, and Dian Blomquist. After confirmation by the Board of Supervisors they will be sworn in by the Mayor and officially seated. Mr. Evans indicated that Reverend Williams was familiar with redevelopment and had worked constructively with the staff in Western Addition; Mr. Rothenberg, as Vice President of the Bank of America, was familiar with financing of housing developments; and at this time no information is available concerning Dian Blomquist. Mr. Evans commented that Mr. Solvin's solid support of the Agency program and his knowledge had been a substantial contribution appreciated by staff. He indicated his regret in seeing him leave and would comment more fully upon this when Mr. Solvin was present.
- (b) The Board of Supervisors has approved the second amendment to the Redevelopment Plan which was approved by the Members sometime ago. The plan change provides for eight minor changes in land use.
- (c) The Board of Supervisors' Subcommittee chaired by Supervisor Al Nelder has been meeting to find ways to keep businesses in San Francisco and to attract new business to the city. Mr. Evans indicated he was a member of the Committee and had appeared at the public hearing today. He commented that the Committee appeared to be focusing on three major deterrents which have become apparent in the Agency's program, as follows: (1) the City's taxing policy, which makes it difficult to encourage major intensive industries to move here; for example, one firm which pays \$50,000 in property taxes, pays another \$11,000 under the City's substantial payroll tax; (2) the cost of labor, which is generally higher in urban areas, is still a major factor; and (3) the amount of bureaucratic requirements which, for example, can consume three months' time to obtain a noncontroversial permit, and from six months' to one-year's time if there are any complications involved.

The Committee is considering all ways to induce business to remain or come to San Francisco. Mr. Evans indicated that he had suggested exploration of two areas: (1) methods to compete with other states in attracting new business and keeping businesses already here through such means as legislation which could provide a tax forgiveness for new or expanding businesses--the tax assessor indicated that it was now impossible to have a tax incentive because local legislation does not permit this, however the State Constitution could be amended to provide such tax forgiveness; (2) the issuance of industrial development bonds which many other states now provide as a vehicle to finance industrial development. Chairman Kaplan pointed out that the Port of Oakland has issued such bonds, and Mr. Evans noted that it has such authority but the City does not.

Mr. Jensen indicated that although he had not been asked to serve on the Committee he was extremely concerned about the mass exodus of industries and jobs which represented a serious loss to the City. He cited a number of firms which had gone outside the city and expressed concern that it could already be too late to save industry. He was concerned that the city may become only a financial and service center with no jobs for blue-collar workers. He stressed that the building trades were left but there was no building going on.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mr. Evans noted that the State of California was fifteen years behind the rest of the country in an aggressive program to attract industry. Chairman Kaplan inquired if the financing mechanism for the BART Embarcadero Station was applicable to industrial development, and Mr. Evans indicated that it was financed with tax increment bonds which are usable only in specialized circumstances. Chairman Kaplan inquired whether tax increment bonds could be used in India Basin, and Mr. Evans indicated that he would like to see this explored.

- (d) It is expected that a \$2 billion Public Works Unemployment bill will soon be before President Ford for signature, which would provide funds for the construction of such public works items that could be started within sixty to ninety days. These could include convention centers and schools.
- (e) It has been reported in the newspapers that Mr. Mel Swig is contemplating transferral of the California Seals hockey team to Cleveland, Ohio. Chairman Kaplan asked if this meant the end of the sports arena in Yerba Buena Center, and Mr. Evans indicated that another individual would be needed who has the contacts and franchise to put together a financing plan for the arena. In response to Chairman Kaplan's inquiry, Mr. Evans noted that the original proposal of Lyman Jee did not have a franchise and he preferred to joint venture with someone who could contribute some of the necessary capital. Meanwhile, he is proceeding with the office tower on Market Street and the apparel mart. Mr. Jensen requested information on the status of the project, and Mr. Evans reported that the apparel mart is in the pre-lease stage and that a sewer permit was needed before a building permit could be issued. Mr. Jee is seeking the leases which are a prerequisite to the financing application and finishing the plans which will be submitted to the Members for review. There are some design problems yet to be resolved, but he is only three weeks behind schedule at the most. The office tower is also moving forward. In reply to Mr. Silva's question, Mr. Evans indicated that there were one million gross square feet in the office building.

UNFINISHED BUSINESS

- (a) Resolution No. 111-76 authorizing transfer and conveyance of Parcel H-5, Diamond Heights Approved Redevelopment Project Area B-1.

Mr. Evans indicated that this concerns the sale of Parcel H-5 in Diamond Heights to the BRB Homes, Inc. for \$258,000 which includes a refundable \$8,000 deposit for construction of 42 condominium units at a projected sales value of \$1,585,000. The property was sold to Ring Brothers-Diamond Heights Company for \$160,930 and they had a verified expenditure of \$97,070 in anticipation of construction of a 56-unit apartment, however, the site required redesigning of the proposed building and rather than spend more money, Ring Brothers has requested authority to assign its interest to BRB Homes, Inc. In reply to Chairman Kaplan's question, Mr. Evans replied that the Diamond Heights Neighborhood Association approved the proposal.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

NEW BUSINESS

- (a) Resolution No. 120-76 approving a proposed amendment to the Redevelopment Plan for the Yerba Buena Center Approved Redevelopment Project and referring and recommending the same to the Board of Supervisors of the City and County of San Francisco.

NEW BUSINESS (continued)

This item was the subject of the public hearing just held and proposes amendment of the Yerba Buena Center Redevelopment Plan to permit fifty units of housing in the Central Blocks. Mr. Evans explained that the proposal has been submitted to include up to fifty housing units on the roof of the apparel mart and this requires amendment of the Plan to permit housing units in the Central Blocks. In reply to Mr. Jensen's inquiry, Mr. Evans indicated that the units would be in the approximate sales range of \$100,000 with the anticipation that they would be used by those connected with the apparel mart. In reply to Mr. Silva's question, Mr. Evans indicated that 46 units were in the initial proposal but plans were now being developed. Mr. Silva asked if the plans would be brought back to the Members for approval and Mr. Evans answered affirmatively. Mr. Jensen expressed concern about building such costly housing and noted the Agency's efforts to develop low-to-moderate income housing. Mr. Evans indicated that although these were expensive units, they marked a beginning to implement agreement which urged provision of housing balanced among all income ranges. Mr. Jensen expressed concern that this was a severe plan change, and Mr. Evans noted that it was regarded as a minor change since low-income housing had already been built in the project and provided in the surrounding area. He stressed the necessity of bringing people of all incomes into the area and indicated that this would be a development similar to that of the Fox Plaza. Mr. Jensen indicated that the Fox Plaza was a successful development of moderate-priced housing but that he did not consider \$100,000 units in this category. Mr. Evans noted that there could be more housing in the project, but it would require feasibility dependent upon attracting tenants; he noted the importance of creating an environment which would make the area a desirable place to live. Discussion followed on the factors which made the construction of housing in the moderate-income range infeasible. Mr. Evans noted that the apparel mart developer was making an effort to accommodate the Brinton settlement and was building on speculation, since it was impossible to survey the market for such housing needs. Mr. Evans noted that the plan change permitted this development but that the action did not guarantee the housing would be built.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 118-76 authorizing termination of agreement for disposition of land for private redevelopment pertaining to Parcel 3751-J; and owner participation agreement pertaining to Parcel 3751, Lot 34, Yerba Buena Center Approved Redevelopment Project Area D-1.
- (c) Resolution No. 121-76 approving the disposition price and method of sale; authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments, all in connection with the sale of Parcel 3751-J; authorizing the Executive Director to enter into an owner participation agreement respecting Lot 34, in Block 3751, in Yerba Buena Center Approved Redevelopment Project Area D-1.

Chairman Kaplan indicated that both of these items would be considered together. The first item relates to the cancellation of the owner-participation agreement originally executed with Mr. Roger Deal for rehabilitation of Parcel 3751-J and the rescinding of the disposition agreement for an adjacent parcel which was to be used for off-street parking purposes. Due to Mr. Deal's death, Parcel 3751-J was sold to Mr. Howard Fine, a licensed general contractor, who is now desirous

NEW BUSINESS (continued)

of rehabilitating the property. The proposed action concerns disposition of the adjacent parcel to Mr. Fine for \$7,150 for use as parking and authorization to execute an owner-participation agreement for Parcel 3751-J.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that these resolutions be adopted.

- (d) Resolution No. 119-76 fixing time and place for authorizing publication of notice of public hearing regarding proposed amendments to the Official Redevelopment Plan for the Embarcadero-Lower Market Approved Redevelopment Project Area E-1.

This concerns the setting of the date of August 17, 1976 for a public hearing on the proposed amendments to the Official Redevelopment Plan for the Embarcadero-Lower Market Approved Redevelopment Project Area E-1 and authorization to publish the notice of the hearing at an expenditure not to exceed \$1,500 for publication costs. The amendment reduces the number of dwelling units and permits an additional 200,000 square feet of office or commercial space in the Phase III development of the Golden Gateway.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 117-76 authorizing the Executive Director to execute an agreement for services with Pinne, Garvin & Hock, Inc., India Basin Industrial Park Project.

This is in connection with an agreement for services with Pinne, Garvin & Hock, Inc. for a professional production of a ten-minute slide show presentation with synchronized narration at a cost not to exceed \$2,500 to be used for the land marketing program for India Basin Industrial Park. Mr. Evans noted that the firm had been recommended to the staff in placing advertisements when the Time magazine representative had informed the Agency that if the advertising were placed through an advertising agency, the firms free services would be provided. Mr. Silva noted that such services were actually paid for, and Chairman Kaplan indicated that the advertising agency received 15 percent of the fee. Mr. Jensen inquired what firm had prepared the slide presentation used by the San Francisco Greater Chamber of Commerce, which Mr. Evans had commented upon favorably, and Mr. Evans indicated that the Chamber had done its own excellent production in-house.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 124-76 authorizing amendment to contract for legal services in condemnation actions involving Western Addition Approved Redevelopment Project Area A-2 and Stockton/Sacramento Redevelopment Project.

This represents an amendment to the Rogers, Vizzard, Tallett contract for legal services which are required in connection with condemnation matters relative to the acquisition of properties in the Western Addition Project Area A-2 and the Stockton/Sacramento Project Area. Consideration of the amendment was delayed pending approval by the Department of Housing and Urban Development (HUD) which has now been given. The amendment to the existing contract adds the Stockton/Sacramento project and increases the maximum compensation payable of \$50,000 to \$385,000, and the hourly rate from \$35 to \$50, effective January 1, 1976. The maximum compensation under the contract has been fully expended since last November 1975, but the law firm continued to provide legal services for both

NEW BUSINESS (continued)

projects in anticipation of HUD's and the Members' approval. Mr. Evans indicated there was no way to ascertain how long these services would be needed but noted that \$18,000 is owed the firm to May and it is estimated that the additional \$50,000 would pay this sum and carry through the present workload. Chairman Kaplan and Mr. Silva inquired about the retroactive hourly increase from \$35 to \$50, and Mr. Evans indicated that \$50 had been the rate for such services for the past two years. In response to Mr. Silva's inquiry, Mr. Evans noted that approximately \$8,000 would cover the services rendered by the firm through June. Mr. Silva indicated concern about not being made aware of the approximately \$26,000 already expended, and Chairman Kaplan commented that the firm had continued to work on its own on the \$35 per hour basis. Mr. Evans indicated that the matter had been delayed while HUD approval was sought and by the change in the Agency's General Counsel. He noted that HUD approval was necessary before the raise of \$50 per hour could be proposed, and that the firm has continued in good faith to perform needed services without benefit of contract.

Mr. Jensen commented on the hourly increase noting that others who had sought higher compensation had not been successful. He expressed concern about acting on matters on which he did not feel he was fully informed. He indicated the salary resolution was an example, noting that he was unaware that the Agency was required to conform to City salaries and that it also eliminated some positions. He believed that the policy should be that when one receives an increase, all do. Mr. Evans responded that Federal regulations require Agency conformity to the City and indicated that the only classification eliminated was that of the Assistant Executive Director of Administration. He also noted that the Members were sent material which apprised them of all information regarding the salary changes. Chairman Kaplan inquired who made the determinations on comparability, and Mr. Evans indicated that the Members ultimately did this. Mr. Jensen requested that the material on the next salary resolution detail the salary of each employee and the amount to be received. Chairman Kaplan noted that this information was to include, by title, the list of comparable City position classifications in a more easily understood manner than by number.

Discussion followed on the reasons why the proposed amendment to the legal services contract had been pending for so long. Mr. Silva expressed concern that such a lapse in the contract could occur. Mr. Jensen recommended that the contract be amended to provide payment of services through June at the existing rate of \$35 per hour. Mr. Silva inquired of Agency General Counsel Tilden H. Edwards if the firm billed monthly and if he knew how many hours the law firm had worked to date. Mr. Edwards replied affirmatively indicating that the Agency had been billed through April. Discussion followed on the negotiation process. The Members indicated that staff should alert them prior to proceeding with such negotiations. This would enable the Members to determine if they wished to continue with the existing consultant.

Mr. Evans indicated that Rogers, Vizzard, and Tallett had proceeded with the work based on staff assurances the firm would be compensated for services at the new rate. Mr. Evans recommended that the firm continue its work and be paid retroactively at the \$50 per hour rate.

MOTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that the staff be authorized to amend the contract with Rogers, Vizzard and Tallett to pay for the services performed through June 30, 1976 at the \$35 hourly rate for the Western Addition A-2 and Stockton/Sacramento Projects.

NEW BUSINESS (continued)

- (g) Resolution No. 116-76 approving a work order for residential environment and building inspection services for the period July 1, 1976 to June 30, 1977 for Western Addition A-2, Yerba Buena Center, Hunters Point, India Basin Industrial Park, Stockton/Sacramento Approved Redevelopment Project Areas.

This is a work order not to exceed \$50,000 to reimburse the actual cost of having the services of the Department of Public Works inspectors for one year on all potential rehousing units on an as-needed basis.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 115-76 authorizing payment of a claim for \$106.11 to Doris Johnson, Central Office.

This is a claim from an Agency employee for \$106.99 to cover costs of damages to clothing as a result of painting operations at the Central Office.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Consideration to authorize an additional \$5,000 work order for the Mayor's Select Committee on Yerba Buena Center.

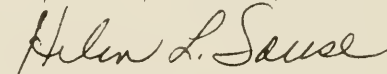
Mr. Evans indicated that the Agency had been requested to authorize an additional \$5,000 work order in connection with the Mayor's Select Committee on Yerba Buena Center to cover the cost of supplies, printing, and mailing of the Committee's report. The Committee should complete its work in August.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that an additional \$5,000 work order be authorized for expenditure by the Mayor's Select Committee in connection with the Yerba Buena Center Approved Redevelopment Project.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:55 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

